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# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Form(s) of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Goldin Properties Holdings Limited, you should at once hand this Composite Document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the Offers contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form(s) of Acceptance, make no representation as to their 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 Composite Document and the accompanying Form(s) of Acceptance.

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GOLDIN PROPERTIES  
高銀地產

**SILVER STARLIGHT LIMITED**

*(Incorporated in the British Virgin Islands with limited liability)*

**GOLDIN PROPERTIES HOLDINGS LIMITED**

**高銀地產控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 283)**

## COMPOSITE OFFER AND RESPONSE DOCUMENT IN RELATION TO PROPOSED PRIVATISATION BY WAY OF VOLUNTARY CONDITIONAL CASH OFFERS BY OPTIMA CAPITAL LIMITED ON BEHALF OF SILVER STARLIGHT LIMITED FOR ALL THE ISSUED SHARES HELD BY QUALIFYING SHAREHOLDERS AND TO CANCEL ALL THE OUTSTANDING OPTIONS OF GOLDIN PROPERTIES HOLDINGS LIMITED

**Financial adviser to  
Silver Starlight Limited**

  
**Optima Capital Limited**

**Financial adviser to  
Goldin Properties Holdings Limited**

  
**GOLDIN FINANCIAL LIMITED  
高銀融資有限公司**

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

 **Investec**

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Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Optima Capital containing, among other things, details of the terms and conditions of the Offers are set out on pages 7 to 22 of this Composite Document. A letter from the Board is set out on pages 23 to 27 of this Composite Document. A letter from the Independent Board Committee containing its recommendations to the Qualifying Shareholders and the Option Holders in respect of the Offers is set out on pages 28 and 29 of this Composite Document. A letter from Investec containing its advice and recommendations to the Independent Board Committee in respect of the Offers is set out on pages 30 to 63 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in "Appendix I — Further Terms of the Offers and Procedures of Acceptance" to this Composite Document and in the accompanying Form(s) of Acceptance. Acceptance of the Share Offer should be received by the Registrar and acceptance of the Option Offer should be received by the company secretary of the Company by no later than 4:00 p.m. (Hong Kong time) on Wednesday, 10 May 2017, being the Closing Date, or such later time and/or date(s) as the Offeror may determine and announce, in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside of Hong Kong should read the details in this regard which are contained in the section headed "8. Overseas Qualifying Shareholders and overseas Option Holders" in the letter from Optima Capital in this Composite Document before taking any action. It is the responsibility of any overseas Qualifying Shareholders and overseas Option Holders wishing to take any action in relation to the Share Offer and the Option Offer, respectively, to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including obtaining all governmental, exchange control or other consents which may be required and the compliance with all necessary formalities or legal requirements and the payment of any issue, transfer or other taxes payable by such overseas Qualifying Shareholders or overseas Option Holders in respect of the acceptance of the Offers (as applicable) in such jurisdiction. The overseas Qualifying Shareholders and the overseas Option Holders are advised to seek professional advice on deciding whether to accept the Offers (as applicable).

19 April 2017

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## EXPECTED TIMETABLE

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### EXPECTED TIMETABLE

*The timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event that there is any change to the following timetable as and when appropriate.*

Event	Hong Kong Time
Despatch date of this Composite Document and the accompanying Form(s) of Acceptance . . . . .	Wednesday, 19 April 2017
Opening date of the Offers. . . . .	Wednesday, 19 April 2017
First Closing Date ( <i>Note 1</i> ). . . . .	Wednesday, 10 May 2017
Latest time for acceptance of the Offers on the first Closing Date ( <i>Note 2</i> ). . . . .	4:00 p.m. on Wednesday, 10 May 2017
Announcement of the results of the Offers as at the first Closing Date, on the website of the Stock Exchange . . . . .	no later than 7:00 p.m. on Wednesday, 10 May 2017
Latest date for despatch of cheques for payment of the amounts due under the Offers in respect of valid acceptances received on or before 4:00 p.m. on the first Closing Date, assuming that the Offers become or are declared unconditional on the first Closing Date ( <i>Note 3</i> ). . . . .	Friday, 19 May 2017
Latest time and date for acceptance of the Offers assuming that the Offers become or are declared unconditional in all respects on the first Closing Date ( <i>Note 4</i> ). . . . .	4:00 p.m. on Wednesday, 24 May 2017
Latest time and date by which the Offers can become or be declared unconditional as to acceptances ( <i>Note 5</i> ) . . . . .	7:00 p.m. on Monday, 19 June 2017

*Notes:*

- (1) The Offers will close for acceptances at 4:00 p.m. on Wednesday, 10 May 2017 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offers until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In the event that the Offers have not become unconditional on the first Closing Date, the Offeror will issue an announcement stating whether the Offers have lapsed or have been revised or extended to another Closing

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## EXPECTED TIMETABLE

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Date or until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given, before the Offers are closed, to the Qualifying Shareholders and the Option Holders who have not accepted the relevant Offers.

- (2) If you wish to accept the Offers, you should ensure your duly completed and signed Form(s) of Acceptance and the relevant documents arrive at the Registrar (for the Share Offer) or the company secretary of the Company (for the Option Offer) by no later than the prescribed time. If you choose to deliver the documents by post, you should consider the timing requirements for postage.

Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

All acceptances, instructions, authorisations and undertakings given by the Qualifying Shareholders in the **WHITE** Form of Share Offer Acceptance and by the Option Holders in the **PINK** Form of Option Offer Acceptance shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

- (3) Payment of the consideration (after deducting the seller's ad valorem stamp duty) for the Offer Shares tendered for acceptance under the Share Offer will be posted by ordinary post to the Qualifying Shareholders who accept the Share Offer at their own risk, and payment of the consideration for the Options surrendered for cancellation under the Option Offer will be posted by ordinary post to the Option Holders who accept the Option Offer at their own risk. Payment will be made as soon as possible, but in any event within seven (7) Business Days following the later of (i) the date on which the Offers become or are declared unconditional in all respects; and (ii) the date of receipt by the Registrar (in respect of the Share Offer) or the company secretary of the Company (in respect of the Option Offer) of all the relevant documents to render each acceptance under the relevant Offers complete and valid in accordance with the Takeovers Code, this Composite Document and the relevant accompanying Form(s) of Acceptance.
- (4) Pursuant to Rule 15.3 of the Takeovers Code, the final Closing Date should be no less than fourteen (14) days after the date on which the Offers become or are declared unconditional in all respects.
- (5) In accordance with the Takeovers Code, except with the consent of the Executive, the Share Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day this Composite Document is posted. Accordingly, unless the Offers have previously become or been declared unconditional as to acceptances or have been extended with the consent of the Executive, the Offers will lapse at 7:00 p.m. on Monday, 19 June 2017, which is the next Business Day after the 60th day after this Composite Document is posted (Sunday, 18 June 2017), in accordance with Note 3 to the Definitions section of the Takeovers Code.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF THE OFFERS AND/OR THE LATEST DATE FOR DESPATCH OF CHEQUES**

If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning in force in Hong Kong:

- (a) at any time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offers and/or the latest date for despatch of cheques for the amounts due under the Offers in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and/or the latest date for despatch of cheques will remain on the same Business Day; or

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## EXPECTED TIMETABLE

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- (b) at any time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and/or the latest date for despatch of cheques for the amounts due under the Offers in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the following Business Day and/or the latest date for despatch of cheques will be rescheduled to the following Business Day.

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## DEFINITIONS

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*In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meanings:*

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Adjusted NAV”	adjusted unaudited consolidated net asset value of the Group as set out in the section headed “Property Interests and Adjusted Net Asset Value” in “Appendix II — Financial Information of the Group” to this Composite Document
“associates”	has the meaning ascribed to it under the Takeovers Code or the Listing Rules (as appropriate)
“Board”	the board of Directors from time to time
“Business Day(s)”	the day(s) on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Clear Jade”	Clear Jade International Limited, a company incorporated in the BVI with limited liability which is owned as to 100% by Mr. Pan
“Closing Date”	Wednesday, 10 May 2017, being the first closing date of the Offers or any subsequent closing date of the Offers as may be extended or revised in accordance with the Takeovers Code
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Goldin Properties Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 283)
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company, which sets out, among others, details of the Offers in accordance with the Takeovers Code, as may be revised or supplemented as appropriate
“Compulsory Acquisition Entitlement Period”	the period commencing from Wednesday, 19 April 2017 (being the date of this Composite Document) and ending on the date falling four (4) months after the date of this Composite Document (or such later date as the SFC may permit for the requisite level of acceptances to be reached in order for the Offeror to undertake compulsory acquisition)

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## DEFINITIONS

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“Condition(s)”	condition(s) to the Offers as set out under the section headed “3. Conditions of the Offers” in the letter from Optima Capital in this Composite Document
“Director(s)”	director(s) of the Company
“Directors Options”	the Options held by each of Mr. Ting, Mr. Zhou and Mr. Li as at the date of the Directors Undertakings
“Directors Undertakings”	collectively, Li Undertaking, Ting Undertaking and Zhou Undertaking
“Disinterested Shares”	Shares other than those which are owned by the Offeror or the Offeror Concert Parties
“Disposal”	the disposal of the entire equity interest of 高銀置地(天津)有限公司 (Goldin Development (Tianjin) Co., Ltd.*) by Goldin Properties (Tianjin) Co., Ltd (a wholly-owned subsidiary of the Company) and other related transactions as disclosed in the circular of the Company dated 13 May 2016 and the announcements of the Company dated 31 May 2016 and 25 August 2016
“Executive”	the executive director of the Corporate Finance Division of the SFC or any of his delegates
“Form of Option Offer Acceptance”	the <b>PINK</b> form of acceptance and cancellation in respect of the Option Offer accompanying this Composite Document
“Form of Share Offer Acceptance”	the <b>WHITE</b> form of acceptance and transfer in respect of the Share Offer accompanying this Composite Document
“Forms of Acceptance”	collectively, the Form of Share Offer Acceptance and the Form of Option Offer Acceptance and “Form of Acceptance” shall mean either one of them
“Goldin Financial”	Goldin Financial Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Company in relation to the Offers
“Goldin Group (Investment)”	Goldin Group (Investment) Limited, a company incorporated in the BVI with limited liability and wholly owned by Goldin Real Estate Financial, which is in turn owned as to 100% by Mr. Pan

\* *The Chinese names have been translated into English in this Composite Document for reference only.*

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## DEFINITIONS

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“Goldin Real Estate Financial”	Goldin Real Estate Financial Holdings Limited, a company incorporated in the BVI with limited liability which is held as to 100% by Mr. Pan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Lai Chi Kin, Dr. Ng Lai Man, Carmen and Dr. Cheng Kwan Wai, established for the purpose of making a recommendation to the Qualifying Shareholders and the Option Holders as to whether the Offers are fair and reasonable and as to acceptance
“Independent Financial Adviser” or “Investec”	Investec Capital Asia Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in connection with the Offers
“Initial Announcement”	the announcement issued by the Company pursuant to Rule 3.7 of the Takeovers Code dated 20 March 2017
“Joint Announcement”	the announcement dated 29 March 2017 jointly issued by the Company and the Offeror in respect of, among other things, the Offers
“Last Trading Day”	27 March 2017, being the last trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the release of the Joint Announcement
“Latest Practicable Date”	13 April 2017, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Li Undertaking”	the irrevocable undertaking dated 27 March 2017 and executed by Mr. Li, pursuant to which Mr. Li undertook not to exercise any of the subscription rights attaching to the Options granted to him to subscribe for 4,009,090 new Shares from the date of the irrevocable undertaking until the close of the Offers



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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Huamao, an executive Director
“Mr. Pan”	Mr. Pan Sutong, a controlling Shareholder, an executive Director, the chairman of the Board and the chief executive officer of the Company
“Mr. Ting”	Mr. Ting Kwang Yuan, Edmond, an executive Director
“Mr. Zhou”	Mr. Zhou Xiaojun, an executive Director
“Offer Period”	has the meaning ascribed to it in the Takeovers Code, being the period commencing from 20 March 2017 (i.e. the date of the Initial Announcement), and ending at 4:00 p.m. (Hong Kong time) on the Closing Date
“Offer Share(s)”	any and all the issued Share(s) held by the Qualifying Shareholders
“Offeror”	Silver Starlight Limited, a company incorporated in the BVI with limited liability which is legally and beneficially owned as to 100% by Mr. Pan
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code and “Offeror Concert Party” shall mean any of them
“Offers”	the Share Offer and the Option Offer, and “Offer” means either of them
“Optima Capital”	Optima Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror in relation to the Offers
“Option(s)”	the outstanding, vested and unvested, share option(s), each relating to the Shares, granted under the Share Option Schemes from time to time
“Option Holder(s)”	holder(s) of the Option(s)

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## DEFINITIONS

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“Option Offer”	the voluntary conditional cash offer by Optima Capital on behalf of the Offeror to the Option Holders in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Options held by the Option Holders in accordance with the terms and conditions set out in this Composite Document and the Form of Option Offer Acceptance, and any subsequent revision or extension of such offer
“Option Offer Price”	the price at which the Option Offer is made, which is the “see-through” price, being the Share Offer Price minus the exercise price of the relevant Options for the cancellation of each Option held by the Option Holders
“PRC”	the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Qualifying Shareholders”	Shareholders other than Mr. Pan, Goldin Group (Investment) and Clear Jade
“Registrar”	Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, being the share registrar and transfer office of the Company
“Relevant Period”	the period commencing on the date falling six months preceding 20 March 2017, being the date of commencement of the Offer Period, and ending on the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Savills” or “Valuer”	Savills Valuation and Professional Services Limited, the independent property valuer appointed by the Company
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Share Offer”	the voluntary conditional cash offer by Optima Capital on behalf of the Offeror to acquire all of the Offer Shares in accordance with the terms and conditions set out in this Composite Document and the Form of Share Offer Acceptance, and any subsequent revision or extension of such offer
“Share Offer Price”	the price at which the Share Offer is being made, being HK\$9.0 per Offer Share

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## DEFINITIONS

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“Share Option Schemes”	the two share option schemes adopted by the Company on 27 August 2002 and 23 August 2012 respectively
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC and administered by the Executive
“Ting Undertaking”	the irrevocable undertaking dated 27 March 2017 and executed by Mr. Ting, pursuant to which Mr. Ting undertook not to exercise any of the subscription rights attaching to the Options granted to him to subscribe for 4,412,726 new Shares from the date of the irrevocable undertaking until the close of the Offers
“Trading Day”	a day on which securities can be freely traded on the Stock Exchange during whole of the normal trading hours of the Stock Exchange regardless of whether any trades actually occur
“Zhou Undertaking”	the irrevocable undertaking dated 27 March 2017 and executed by Mr. Zhou, pursuant to which Mr. Zhou undertook not to exercise any of the subscription rights attaching to the Options granted to him to subscribe for 4,009,090 new Shares from the date of the irrevocable undertaking until the close of the Offers
“%”	per cent.

*Notes:*

- (1) All time and date references contained in this Composite Document and the accompanying Form(s) of Acceptance refer to Hong Kong times and dates.
- (2) Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.
- (3) The singular includes the plural and vice versa, unless the context otherwise requires.
- (4) References to any appendix, paragraph and any sub-paragraph of them are references to the appendices to, and paragraphs of, this Composite Document and any sub-paragraph of them, respectively.
- (5) References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document.
- (6) Reference to one gender is a reference to all or any genders.
- (7) The English texts of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.



Suite 1501, 15th Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

19 April 2017

*To the Qualifying Shareholders and the Option Holders*

Dear Sir or Madam,

**PROPOSED PRIVATISATION  
BY WAY OF  
VOLUNTARY CONDITIONAL CASH OFFERS BY  
OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
SILVER STARLIGHT LIMITED  
FOR ALL THE ISSUED SHARES HELD BY  
QUALIFYING SHAREHOLDERS  
AND  
TO CANCEL ALL THE OUTSTANDING OPTIONS OF  
GOLDIN PROPERTIES HOLDINGS LIMITED**

**1. INTRODUCTION**

References are made to the Initial Announcement and the Joint Announcement whereby the Offeror and the Company jointly announced that Optima Capital, on behalf of the Offeror, would make a voluntary conditional cash offer to acquire all the Offer Shares, and pursuant to Rule 13 of the Takeovers Code, extend an appropriate offer to cancel all the outstanding Options.

This letter sets out, among other things, details of the terms of the Offers, the reasons for and benefits of the Offers, the intention of the Offeror regarding the Group and information on the Offeror. Further details of the terms of the Offers and the procedures of acceptances are set out in “Appendix I — Further Terms of the Offers and Procedures of Acceptance” to the Composite Document of which this letter forms part, and in the accompanying Form(s) of Acceptance. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

The Qualifying Shareholders and the Option Holders are strongly advised to consider carefully the information contained in the letter from the Board on pages 23 to 27, the letter from the Independent Board Committee on pages 28 to 29, the letter from Investec on pages 30 to 63, the Option Offer letter, the form of which is set out in Appendix VII to the

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## LETTER FROM OPTIMA CAPITAL

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Composite Document on pages 213 to 218, the other appendices which form part of the Composite Document and the accompanying Form(s) of Acceptance before reaching a decision as to whether or not to accept the Offer(s).

### 2. THE OFFERS

The Offers are being made by Optima Capital on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

#### Share Offer

**For each Offer Share . . . . . HK\$9.0 in cash**

The Share Offer is extended to all Qualifying Shareholders in accordance with the Takeovers Code.

#### Option Offer

**For cancellation of each Option . . . . . Option Offer Price in cash**

The Option Offer Price represents the difference between the Share Offer Price and the exercise price of the relevant Option. Depending on the exercise price of each relevant Option, the Option Offer Price ranges from HK\$2.4991 to HK\$6.31 per Option.

The Option Offer is extended to all Option Holders in accordance with the Takeovers Code.

#### Comparison of value

##### *Closing prices of the Shares*

The Share Offer Price of HK\$9.0 represents:

- (i) a premium of approximately 36.8% over the closing price of HK\$6.58 per Share as quoted on the Stock Exchange on the last Trading Day prior to the date of the Initial Announcement;
- (ii) a premium of approximately 40.0% over the average closing price of approximately HK\$6.43 per Share based on the daily closing prices as quoted on the Stock Exchange for the last five Trading Days immediately prior to and including the last Trading Day prior to the date of the Initial Announcement;
- (iii) a premium of approximately 39.1% over the average closing price of approximately HK\$6.47 per Share based on the daily closing prices as quoted on the Stock Exchange for the last ten Trading Days immediately prior to and including the last Trading Day prior to the date of the Initial Announcement;

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## LETTER FROM OPTIMA CAPITAL

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- (iv) a premium of approximately 33.9% over the average closing price of approximately HK\$6.72 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 30 Trading Days immediately prior to and including the last Trading Day prior to the date of the Initial Announcement;
- (v) a premium of approximately 30.4% over the average closing price of approximately HK\$6.90 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 60 Trading Days immediately prior to and including the last Trading Day prior to the date of the Initial Announcement;
- (vi) a premium of approximately 49.5% over the average closing price of approximately HK\$6.02 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 180 Trading Days immediately prior to and including the last Trading Day prior to the date of the Initial Announcement;
- (vii) a premium of approximately 14.2% over the closing price of HK\$7.88 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (viii) a premium of approximately 26.4% over the average closing price of approximately HK\$7.12 per Share based on the daily closing prices as quoted on the Stock Exchange for the last five Trading Days immediately prior to and including the Last Trading Day; and
- (ix) a premium of approximately 14.1% over the closing price of HK\$7.89 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

### *Net asset value per Share*

The Share Offer Price of HK\$9.0 represents:

- (i) a premium of approximately 101.3% over the unaudited consolidated net asset value per Share of approximately HK\$4.47 as at 30 September 2016, calculated based on the Group's unaudited consolidated total equity of approximately HK\$15,968.8 million as at 30 September 2016 as shown in the interim report of the Company for the six months ended 30 September 2016 and 3,573,129,237 Shares in issue as at the Latest Practicable Date; and
- (ii) a premium of approximately 28.6% over the Adjusted NAV per Share of approximately HK\$7.0 (details of which are set out in the section headed "Property Interest and Adjusted Net Asset Value" in "Appendix II — Financial Information of the Group" to the Composite Document).

As shown in the unaudited consolidated financial statements of the Company as at 30 September 2016, a significant portion of the Group's assets consisted of buildings, hotel and polo club properties, investment properties, prepaid lease payments, properties under development and completed properties for sale. The value of these assets as stated in such unaudited consolidated financial statements may

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## LETTER FROM OPTIMA CAPITAL

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or may not reflect the current market value of these assets. Furthermore, the Disposal (which constituted a very substantial disposal and connected transaction of the Company and was approved by the Shareholders on 31 May 2016 in accordance with the relevant requirements under the Listing Rules) had not been completed as at the Latest Practicable Date and the impact of the Disposal has not been fully reflected in the unaudited consolidated financial statements of the Company for the six months ended 30 September 2016. Please refer to the circular of the Company dated 13 May 2016 and the announcements of the Company dated 31 May 2016 and 25 August 2016 for details in respect of the Disposal.

Your attention is drawn to the summary of the property valuation as set out in “Appendix III — Property Valuation of the Group” to the Composite Document from Savills pursuant to Rule 11 of the Takeovers Code providing an updated valuation of the Group’s property interests as at 31 January 2017. Your attention is also drawn to the section headed “Property Interests and Adjusted Net Asset Value” as set out in “Appendix II — Financial Information of the Group” to the Composite Document which provides details of the Adjusted NAV, taking into account, among other things, the impact of completion of the Disposal, the fair value gain arising from valuation of the property interests and deferred taxes payable on the attributable fair value gain.

### **Value of the Offers**

As at the Latest Practicable Date, there were (i) 3,573,129,237 Shares in issue, of which 1,271,492,239 Shares were held by the Qualifying Shareholders; and (ii) 51,381,475 outstanding Options granted under the Share Option Schemes, entitling the Option Holders to subscribe for an aggregate of 51,381,475 Shares at an exercise price ranging from HK\$2.69 to HK\$6.5009 per Option. Pursuant to the Directors Undertakings, each of Mr. Ting, Mr. Zhou and Mr. Li, all being executive Directors, has undertaken to the Offeror not to exercise their outstanding Options amounting to an aggregate of 12,430,906 Options from the date of the Directors Undertakings until the close of the Offers.

Based on the Share Offer Price of HK\$9.0 per Offer Share under the Share Offer, the entire issued Shares as at the Latest Practicable Date was valued at approximately HK\$32,158.2 million.

On the assumption that no Option is exercised prior to the close of the Offers and the Share Offer is accepted in full by the Qualifying Shareholders and on the basis that there will be 1,271,492,239 Offer Shares, the value of the Share Offer is approximately HK\$11,443.5 million and the total amount required to satisfy the cancellation of all the outstanding Options is approximately HK\$293.0 million. In aggregate, the Offers are valued at approximately HK\$11,736.5 million.

If all the outstanding Options (other than the Directors Options) are exercised in full by the Option Holders prior to the close of the Offers, the Company will have to issue 38,950,569 new Shares, representing approximately 1.08% of the enlarged issued Shares.

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## LETTER FROM OPTIMA CAPITAL

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On the assumption that the Share Offer is accepted in full by the Qualifying Shareholders and on the basis that there will be 1,310,442,808 Offer Shares (including all the Shares allotted and issued as a result of the exercise of all the outstanding Options (other than the Directors Options)), the value of the Share Offer is approximately HK\$11,794.0 million and the total amount required to satisfy the cancellation of all the Directors Options is approximately HK\$72.5 million. In aggregate, the Offers are valued at approximately HK\$11,866.5 million.

### **Confirmation of financial resources**

The Offeror will satisfy the cash consideration payable under the Offers from the loan facilities provided by two independent financial institutions pursuant to their respective facility agreements (the “**Facility Agreements**”), each of which will be secured by, among other things, a charge over all the Offer Shares to be acquired by the Offeror pursuant to the Share Offer. Optima Capital, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers. Save for the aforesaid, the Offeror has not entered into any arrangement, agreement, understanding and has no intention to transfer, charge or pledge the securities to be acquired pursuant to the Share Offer.

### **Settlement of consideration**

Settlement of the consideration payable by the Offeror in respect of acceptances of each of the Offers will be made as soon as possible but in any event within seven (7) Business Days of the later of (i) the date of receipt of a duly completed and valid acceptance in respect of the Share Offer or the Option Offer (as applicable); and (ii) the date on which the Offers become or are declared unconditional in all respects.

No fraction of a cent will be payable and the amount of cash consideration payable to a Shareholder or Option Holder (as the case may be) who accepts the Share Offer or the Option Offer (as applicable) will be rounded up to the nearest cent.

### **3. CONDITIONS OF THE OFFERS**

The Share Offer is subject to the following Conditions:

- (i) valid acceptance of the Share Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror holding at least 90% of the Offer Shares with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested Shares;
- (ii) no event having occurred which would make any of the Offers or the acquisition of any of the Offer Shares or the cancellation of the Options under the Option Offer void, unenforceable or illegal or prohibit implementation of any of the Offers or would impose any additional material conditions or obligations with respect to any of the Offers or any part thereof;



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## LETTER FROM OPTIMA CAPITAL

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- (iii) all necessary consents (including consents from the relevant lenders) in connection with the Offers and in connection with the withdrawal of listing of the Shares from the Stock Exchange which may be required under any existing contractual obligations of the Group being obtained and remaining in effect;
- (iv) no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the Offers or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to any of the Offers or its implementation in accordance with its terms); and
- (v) since the date of the Joint Announcement, there having been no material adverse change in the business, assets, financial or trading positions or prospects or conditions (whether operational, legal or otherwise) of the Group (to an extent which is material in the context of the Group taken as a whole).

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above (other than Condition (i)). As at the Latest Practicable Date, to the best knowledge and belief of the Directors, no necessary consents referred to in Condition (iii) above have been identified so far. Save as aforesaid, none of the Conditions had been fulfilled as at the Latest Practicable Date.

The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

The Offeror reserves the right to revise the terms of the Offers in accordance with the Takeovers Code.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any or all of the Conditions (other than Condition (i)) so as to cause the Offers to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offers.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Offers become unconditional in all respects. The Offers must also remain open for acceptance for at least fourteen (14) days after the Offers become unconditional in all respects. Shareholders and Option Holders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this 14-day period.

**WARNING**

**Shareholders, Option Holders and potential investors of the Company should note that the Offers are subject to the satisfaction and/or waiver (where applicable) of the Conditions. Accordingly, the issue of the Composite Document does not in any way imply that the Offers will be closed. The transactions contemplated by the Offers may or may not proceed. Shareholders, Option Holders and potential investors of the Company are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their positions, they should consult their professional advisers.**

**4. POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING**

If the Offeror acquires not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, it intends to exercise the right under the Companies Ordinance and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror under the Share Offer.

On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially and ultimately owned as to 100% by Mr. Pan and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Pursuant to Rule 15.6 of the Takeovers Code, as the Offeror has stated in the Composite Document its intention to avail itself of its powers of compulsory acquisition, the Offers may not remain open for acceptance for more than four (4) months from the date of the Composite Document, unless the Offeror has, by that time, become entitled to exercise such powers of compulsory acquisition, in which event it must do so without delay.

**If the level of acceptance of the Share Offer reaches the prescribed level under the Companies Ordinance required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the final Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

Whilst it is the intention of the Offeror to privatise the Company, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Offer Shares is dependent on the level of acceptances of the Share Offer reaching the prescribed level under the Companies Ordinance and on the requirements of Rule 2.11 of the Takeovers Code being satisfied.

If the Offer Shares validly tendered for acceptance under the Share Offer are less than 90% of the Offer Shares or less than 90% of the Disinterested Shares during the Compulsory Acquisition Entitlement Period, the Offers will not become unconditional and will lapse and in such event, the Company will remain listed on the Stock Exchange in compliance with the public float requirement under the Listing Rules.

**5. PUBLIC FLOAT**

The sole director of the Offeror will take appropriate steps to restore the minimum public float as applicable under the Listing Rules as soon as possible in the event that there were insufficient public float of the Shares arising from the Offers.

**6. SHAREHOLDING STRUCTURE OF THE COMPANY AND THE OFFERS**

As at the Latest Practicable Date, there were 3,573,129,237 issued ordinary Shares. There were no other class of shares in the Company.

**Share Offer**

Set out below are for illustrative purpose only the shareholding structure of the Company immediately before and immediately upon close of the Offers assuming that the holders of at least 90% of the Offer Shares and at least 90% of the Disinterested Shares tender their acceptances of the Share Offer and the remaining Offer Shares (if any) are compulsorily acquired by the Offeror:

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**LETTER FROM OPTIMA CAPITAL**

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*Scenario 1*

Assuming that no Options are exercised before the close of the Offers and there is no other change in the shareholding of the Company before the close of the Offers:

<b>Shareholders</b>	<b>As at the Latest Practicable Date and immediately before close of the Offers (assuming that no Options are exercised and there is no other change in shareholding of the Company)</b>		<b>Immediately upon close of the Offers (assuming that no Options are exercised and there is no other change in shareholding of the Company)</b>	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares (Note 1)</i>
Offeror	—	—	1,271,492,239	35.585
Offeror Concert Parties				
— Clear Jade	117,986,000	3.302	117,986,000	3.302
— Goldin Group (Investment)	2,011,741,427	56.302	2,011,741,427	56.302
— Mr. Pan	<u>171,909,571</u>	<u>4.811</u>	<u>171,909,571</u>	<u>4.811</u>
	<b>2,301,636,998</b>	<b>64.415</b>	<b>3,573,129,237</b>	<b>100.00</b>
Other Offeror Concert Parties (Shares held subject to the Share Offer but not forming part of the Disinterested Shares)				
— Mr. Zhou	280,000	0.008	—	—
— Mr. Ting	<u>900,000</u>	<u>0.025</u>	—	—
	<b>1,180,000</b>	<b>0.033</b>	—	—
Holder of Disinterested Shares	<u>1,270,312,239</u>	<u>35.552</u>	—	—
<b>Total number of Shares in issue</b>	<u><b>3,573,129,237</b></u>	<u><b>100.00</b></u>	<u><b>3,573,129,237</b></u>	<u><b>100.00</b></u>
<b>Total number of Offer Shares</b>	<u><u><b>1,271,492,239</b></u></u>	<u><u><b>35.585</b></u></u>	<u>—</u>	<u>—</u>

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**LETTER FROM OPTIMA CAPITAL**

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*Scenario 2*

Assuming that all Options (other than the Directors Options) are exercised in full before the close of the Offers and there is no other change in the shareholding of the Company before the close of the Offers:

	<b>As at the Latest Practicable Date and immediately before close of the Offers (assuming that all Options (other than the Directors Options) are exercised in full before the close of the Offers and there is no other change in shareholding of the Company)</b>		<b>Immediately upon close of the Offers (assuming that all Options (other than the Directors Options) are exercised in full and there is no other change in shareholding of the Company before the close of the Offers)</b>	
<b>Shareholders</b>	<i>Number of Shares</i>	<i>Approximate % of issued Shares (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares (Note 1)</i>
Offeror	—	—	1,310,442,808	36.280
Offeror Concert Parties				
— Clear Jade	117,986,000	3.266	117,986,000	3.266
— Goldin Group (Investment)	2,011,741,427	55.695	2,011,741,427	55.695
— Mr. Pan	<u>171,909,571</u>	<u>4.759</u>	<u>171,909,571</u>	<u>4.759</u>
	<b>2,301,636,998</b>	<b>63.720</b>	<b>3,612,079,806</b>	<b>100.00</b>
Other Offeror Concert Parties (Shares held subject to the Share Offer but not forming part of the Disinterested Shares)				
— Mr. Zhou	280,000	0.008	—	—
— Mr. Ting	<u>900,000</u>	<u>0.025</u>	—	—
	<b>1,180,000</b>	<b>0.033</b>	—	—
Holder of Disinterested Shares	<u>1,309,262,808</u>	<u>36.247</u>	—	—
<b>Total number of Shares in issue</b>	<b><u>3,612,079,806</u></b>	<b><u>100.00</u></b>	<b><u>3,612,079,806</u></b>	<b><u>100.00</u></b>
<b>Total number of Offer Shares</b>	<b><u>1,310,442,808</u></b>	<b><u>36.280</u></b>	<b><u>—</u></b>	<b><u>—</u></b>

*Note:*

- (1) All percentages in the above are approximations and may not add up to 100% due to rounding.

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## LETTER FROM OPTIMA CAPITAL

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### Option Offer

As at the Latest Practicable Date, there were 51,381,475 outstanding Options granted under the Share Option Schemes, each giving the Option Holder the right to subscribe for one new Share.

Optima Capital, on behalf of the Offeror, is making the Option Offer to the Option Holders for the cancellation of every Option in accordance with Rule 13 of the Takeovers Code. The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Under the Option Offer, the Offeror is offering the Option Holders the Option Offer Price in cash for the cancellation of each Option that they hold and surrender in acceptance of the Option Offer.

The relevant exercise price applicable to each Option, which is set out in the tables below, ranges from HK\$2.69 to HK\$6.5009.

*Options granted under the share option scheme of the Company adopted on 27 August 2002*

<b>Option exercise price</b> <i>(HK\$)</i>	<b>Option Offer Price</b> <i>(HK\$)</i>	<b>Total outstanding Options</b> <b>(all vested)</b>
6.5009	2.4991	1,009,090
3.2703	5.7297	11,792,762 <sup>(Note 1)</sup>
3.1414	5.8586	3,797,867
3.7162	5.2838	565,089
2.69	6.31	6,716,667 <sup>(Note 2)</sup>

*Options granted under the share option scheme of the Company adopted on 23 August 2012*

<b>Option exercise price</b> <i>(HK\$)</i>	<b>Option Offer Price</b> <i>(HK\$)</i>	<b>Total outstanding Options</b> <b>(all vested)</b>
3.354	5.646	27,500,000 <sup>(Note 3)</sup>

*Notes:*

- (1) Including an aggregate of 3,430,906 Directors Options.
- (2) Including an aggregate of 3,000,000 Directors Options.
- (3) Including an aggregate of 6,000,000 Directors Options.

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## LETTER FROM OPTIMA CAPITAL

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If any Option is exercised in accordance with the terms of the Share Option Schemes prior to the Closing Date, any Shares issued as a result of the exercise of those Options prior to the Closing Date will be subject to and eligible to participate in the Share Offer.

Pursuant to the terms of the Share Option Schemes, if the Share Offer becomes or is declared unconditional in all respects, the Option Holders shall be entitled to exercise the Options in full (to the extent not already exercised) at any time (i) within one (1) month after the date on which the Share Offer becomes or is declared unconditional in all respects; or (ii) by the Closing Date (whichever is the earlier). Any unexercised Options shall lapse automatically upon the expiry of the Offer Period.

### **Interest of the Offeror and the Offeror Concert Parties in the Shares and Options**

As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties held 2,302,816,998 Shares in aggregate, representing approximately 64.45% of the total issued Shares.

Save as aforesaid and save for the Directors Options, as at the Latest Practicable Date, the Offeror and the Offeror Concert Parties do not hold, control or have direction over any other Shares or hold any convertible securities, warrants, options or derivatives in respect of the Shares.

## **7. TAXATION AND INDEPENDENT ADVICE**

Shareholders and Option Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Share Offer or the Option Offer. It is emphasised that none of the Offeror or Optima Capital, nor any of their respective directors, officers or associates or any other person involved in the Share Offer or the Option Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer or the Option Offer.

## **8. OVERSEAS QUALIFYING SHAREHOLDERS AND OVERSEAS OPTION HOLDERS**

The making of the Share Offer to the Qualifying Shareholders and the Option Offer to the Option Holders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such overseas Qualifying Shareholders and overseas Option Holders may be prohibited or affected by the laws of the relevant jurisdictions and it is the responsibility of each such overseas Qualifying Shareholder or overseas Option Holder who wishes to accept the Share Offer and the Option Offer respectively to satisfy himself/herself/itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such overseas Qualifying Shareholder or overseas Option Holder in such relevant jurisdictions.

**Any acceptance by any such overseas Qualifying Shareholder or overseas Option Holder will be deemed to constitute a representation and warranty from such Qualifying Shareholder or Option Holder to the Offeror that all local laws and requirements have been complied with and that the Share Offer and the Option Offer can be accepted by such Qualifying Shareholder and Option Holder, respectively lawfully under the laws of the relevant jurisdiction. The overseas Qualifying Shareholders and the overseas Option Holders should consult their professional advisers if in doubt.**

## **9. FURTHER TERMS OF THE OFFERS**

### **Acceptance of the Share Offer**

Acceptance of the Share Offer by any person will constitute a representation and warranty by such person or persons to the Offeror, Optima Capital and the Company that the Offer Shares sold by such person or persons to the Offeror are free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date.

### **Acceptance of the Option Offer**

Acceptance of the Option Offer by an Option Holder will constitute a representation and warranty by such person or persons to the Offeror, Optima Capital and the Company that the Options are free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and will, subject to the Offers becoming or being declared unconditional in all respects, result in the cancellation of those relevant Options, together with all rights attaching thereto as at the Closing Date or subsequently becoming attached to them.

### **Stamp duty**

Seller's ad valorem stamp duty at the rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be payable by the Qualifying Shareholders who accept the Share Offer. The relevant amount of stamp duty payable by the Qualifying Shareholders will be deducted from the amount payable to the relevant Qualifying Shareholders on acceptance of the Share Offer.

The Offeror will bear its own portion of buyer's ad valorem stamp duty at the rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, and will arrange for payment of the stamp duty on behalf of the accepting Qualifying Shareholders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.



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## LETTER FROM OPTIMA CAPITAL

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No stamp duty is payable in connection with the acceptance of the Option Offer and the cancellation of the Options.

### **Close of the Offers**

The Offers are subject to the Conditions. If Condition (i) is not satisfied on or before the Closing Date, the Offers will lapse. If any other Conditions are not satisfied and/or waived on or before the Closing Date, the Offers may lapse. The Offeror will issue an announcement stating whether the Offers have been revised or extended, have expired or have become or been declared unconditional (and, in such case, whether as to acceptances or in all respects), by 7:00 p.m. on the Closing Date in accordance with the Takeovers Code. The latest time on which the Offeror can declare the Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

If all the Conditions are satisfied (or waived, as applicable), the Qualifying Shareholders and the Option Holders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

Further terms of the Offers, including, among others, the procedures for acceptance and settlement, the acceptance period and taxation matters are set out in “Appendix I — Further Terms of the Offers and Procedures of Acceptance” to the Composite Document and the accompanying Form(s) of Acceptance.

A letter containing details of the Option Offer, the form of which is set out in Appendix VII to the Composite Document, has been despatched to the Option Holders on 19 April 2017.

### **10. INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated on 25 January 2017 under the laws of the BVI and is 100% legally and beneficially owned by Mr. Pan, a controlling Shareholder, the chairman of the Board and the chief executive officer of the Company. Mr. Pan is also the sole director of the Offeror. Mr. Pan, as the sole director and beneficial owner of the Offeror, is a party acting in concert with the Offeror. Mr. Pan has accumulated extensive experience in property development and finance in Hong Kong and the PRC over the years. He is also a controlling shareholder, the chairman of the board of directors and an executive director of Goldin Financial Holdings Limited, a company incorporated in Bermuda with its shares listed on the main board of the Stock Exchange (Stock Code: 530).

### **11. INFORMATION ON THE GROUP**

Details of the information on the Group are set out in the letter from the Board in the Composite Document.

## **12. REASONS FOR, AND BENEFITS OF, THE OFFERS**

The Board and the sole director of the Offeror believe that the Offers provide the following benefits to the Qualifying Shareholders and the Option Holders.

The Offeror considers that the privatisation of the Company will facilitate business integration between the Offeror and the Company, which will provide the Offeror with greater flexibility to support the future business development of the Company without being subjected to regulatory restrictions and compliance obligations associated with the listing status of the Company on the Stock Exchange. Consequently, listing-related costs and expenses will also be saved when the Group is taken private.

The Offeror believes that the Offers provide an opportunity for the Qualifying Shareholders and the Option Holders to realise their Shares or Options in return for cash.

During the six-month period preceding the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$7.88 per Share on 27 March 2017, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$4.8 per Share on 7 November 2016. In addition, the historically highest closing price of the Shares as quoted on the Stock Exchange from 4 January 2016 (being the first Trading Day of 2016) and up to the Last Trading Day was HK\$8.6 per Share on 5 January 2016. The Offeror believes that the prices for the Offers represent a premium over the prices at which the market had valued the Company and had reflected the potential value of the development of the business of the Company in the next few years under its current state and provides an opportunity for the Shareholders and the Option Holders to immediately realise their investments. The Offers therefore allow the Qualifying Shareholders and the Option Holders a chance to redeploy capital from accepting the Offers into other investment opportunities that they may consider more attractive in the current market environment.

## **13. INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP**

It is the intention of the Offeror to continue with the existing principal businesses of the Group. The Offeror will conduct a more detailed review on the operations of the Group with a view to formulating a suitable business strategy for the Group and will explore other business opportunities and consider whether any assets, business acquisitions and/or investment by the Group will be appropriate in order to enhance its growth. Save as aforesaid, as at the Latest Practicable Date, the Offeror has no intention or concrete plans for any acquisition or disposal of assets and/or business by the Group and has no intention to (i) discontinue the employment of any employees of the Group (save for possible change(s) in the composition of the Board, which will be made in compliance with the Takeovers Code); (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (iii) introduce any major changes in the existing operations and business of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to increase the value of the Group.

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## LETTER FROM OPTIMA CAPITAL

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### 14. GENERAL

To ensure equality of treatment of all Qualifying Shareholders, those Qualifying Shareholders who hold the Offer Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer.

All documents and cheques for payment to the Qualifying Shareholders will be sent to them by ordinary post at their own risk at their respective addresses as they appear in the register of members of the Company or in the case of joint holders, to such Qualifying Shareholder whose name appears first in the register of members of the Company, as applicable. All documents to the Option Holders and cheques for payment in respect of the Options surrendered for cancellation will be sent to them by ordinary post at their own risk to the respective last known addresses of the Option Holders by the Company or as filled in by the Option Holders in their respective Form of Option Offer Acceptance. None of the Offeror, the Offeror Concert Parties, Optima Capital, the Company, Goldin Financial, the Registrar or any of their respective directors or professional advisers or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

### 15. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices which form part of the Composite Document. You are reminded to carefully read the letter from the Board, the letter from the Independent Board Committee, the letter from Investec, and other information about the Group which are set out in the Composite Document and the accompanying Form(s) of Acceptance before deciding whether or not to accept the Offers.

Yours faithfully,  
for and on behalf of  
**OPTIMA CAPITAL LIMITED**  
**Beatrice Lung**  
*Managing Director*



GOLDIN PROPERTIES  
高銀地產

**GOLDIN PROPERTIES HOLDINGS LIMITED**

**高銀地產控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 283)**

*Executive Directors:*

Mr. Pan Sutong  
*(Chairman & Chief Executive Officer)*  
Mr. Zhou Xiaojun  
Mr. Ting Kwang Yuan, Edmond  
Mr. Li Huamao

*Registered office and  
principal place of business:*  
25/F, Goldin Financial Global Centre  
17 Kai Cheung Road  
Kowloon Bay  
Hong Kong

*Independent non-executive Directors:*

Mr. Lai Chi Kin  
Dr. Ng Lai Man, Carmen  
Dr. Cheng Kwan Wai

19 April 2017

*To the Qualifying Shareholders and the Option Holders*

Dear Sir or Madam,

**PROPOSED PRIVATISATION  
BY WAY OF  
VOLUNTARY CONDITIONAL CASH OFFERS BY  
OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
SILVER STARLIGHT LIMITED  
FOR ALL THE ISSUED SHARES HELD BY  
QUALIFYING SHAREHOLDERS  
AND  
TO CANCEL ALL THE OUTSTANDING OPTIONS OF  
GOLDIN PROPERTIES HOLDINGS LIMITED**

**1. INTRODUCTION**

References are made to the Initial Announcement and the Joint Announcement whereby the Offeror and the Company jointly announced that Optima Capital, on behalf of the Offeror, would make a voluntary conditional cash offer to acquire all the Offer Shares, and pursuant to Rule 13 of the Takeovers Code, would extend an appropriate offer to cancel all the outstanding Options.

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## LETTER FROM THE BOARD

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The purpose of the Composite Document (of which this letter forms part) is to provide you with, among other things: (i) information relating to the Group, the Offeror and the Offers; (ii) a letter from Optima Capital containing, among other things, details of the Offers; (iii) a letter from the Independent Board Committee containing its recommendations to the Qualifying Shareholders and the Option Holders in relation to the Offers; and (iv) a letter from Investec containing its advice and recommendations to the Independent Board Committee in relation to the Offers.

Unless the context otherwise requires, terms defined in the section headed “Definitions” in the Composite Document shall have the same meanings when used in this letter.

### **2. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee, comprising all independent non-executive Directors who have no direct or indirect interest in the Offers, namely, Mr. Lai Chi Kin, Dr. Ng Lai Man, Carmen and Dr. Cheng Kwan Wai, was established for the purpose of making recommendations to the Qualifying Shareholders and the Option Holders as to whether the Offers are, or are not, fair and reasonable and as to acceptances of the Offers.

Investec, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Offers.

### **3. THE OFFERS**

As disclosed in the “Letter from Optima Capital” in the Composite Document, Optima Capital, on behalf of the Offeror, is making the Offers on the following basis:

#### **Share Offer**

**For each Offer Share . . . . . HK\$9.0 in cash**

The Share Offer is extended to all Qualifying Shareholders in accordance with the Takeovers Code.

#### **Option Offer**

**For cancellation of each Option . . . . . Option Offer Price in cash**

The Option Offer Price represents the difference between the Share Offer Price and the exercise price of the relevant Option. Depending on the exercise price of each relevant Option, the Option Offer Price ranges from HK\$2.4991 to HK\$6.31 per Option.

The Option Offer is extended to all Option Holders in accordance with the Takeovers Code.

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## LETTER FROM THE BOARD

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Further details of the Offers can be found in the “Letter from Optima Capital” in and “Appendix I — Further Terms of the Offers and Procedures of Acceptance” to the Composite Document and the accompanying Form(s) of Acceptance, which together set out the terms and conditions of the Offers and certain related information.

### **4. VALUE OF THE OFFERS**

Your attention is drawn to the sub-section headed “2. The Offers — Value of the Offers” in the “Letter from Optima Capital” in the Composite Document which sets out the value of the Offers.

### **5. CONDITIONS OF THE OFFERS**

Your attention is drawn to the section headed “3. Conditions of the Offers” in the “Letter from Optima Capital” in the Composite Document which sets out the Conditions of the Offers.

### **6. REASONS FOR, AND BENEFITS OF, THE OFFERS**

Your attention is drawn to the section headed “12. Reasons for, and Benefits of, the Offers” in the “Letter from Optima Capital” in the Composite Document which sets out the reasons for, and benefits of the Offers to the Qualifying Shareholders and Option Holders.

### **7. INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP**

Your attention is drawn to the sections headed “13. Intentions of the Offeror in relation to the Group” and “4. Possible Compulsory Acquisition and Withdrawal of Listing” in the “Letter from Optima Capital” in the Composite Document which set out the intentions of the Offeror with regard to the Group.

The Board has noted the intentions of the Offeror in respect of the Group and will co-operate with and provide the necessary support to the Offeror to facilitate the smooth business operation and management of the Group.

### **8. INFORMATION ON THE OFFEROR**

Your attention is drawn to the section headed “10. Information on the Offeror” in the “Letter from Optima Capital” in the Composite Document for information relating to the Offeror.

### **9. INFORMATION ON THE GROUP**

The Company is a company incorporated in Hong Kong with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is primarily engaged in property development, property investment, and operation of hotel and polo club. The Group is a premier property developer with a strategic focus on the high-end property market of the PRC, with a property portfolio of premium commercial, residential and hotel developments.

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## LETTER FROM THE BOARD

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Your attention is also drawn to the financial information of the Group set out in “Appendix II — Financial Information of the Group”, the property valuation of the Group set out in “Appendix III — Property Valuation of the Group”, the report from M. Y. Chan & Company on profit estimate of the Group set out in “Appendix IV(A) — Report from M. Y. Chan & Company on Profit Estimate”, the report from Goldin Financial on the profit estimate of the Group set out in “Appendix IV(B) — Report from Goldin Financial on Profit Estimate” and general information of the Group as set out in “Appendix VI — General Information of the Group” to the Composite Document.

### 10. POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

According to the “Letter from Optima Capital” in the Composite Document, the Board understands that if the Offeror acquires not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, it intends to exercise the right under the Companies Ordinance and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror under the Share Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially and ultimately owned as to 100% by Mr. Pan and the Board understands that an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Pursuant to Rule 15.6 of the Takeovers Code, where the Offeror has stated in the Composite Document its intention to avail itself of its powers of compulsory acquisition, the Offers may not remain open for acceptance for more than four (4) months from the date of the Composite Document, unless the Offeror has, by that time, become entitled to exercise such powers of compulsory acquisition, in which event it must do so without delay.

**If the level of acceptances of the Share Offer reaches the prescribed level under the Companies Ordinance required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the final Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

Whilst it is the intention of the Offeror to privatise the Company, the Offeror’s ability to exercise rights of compulsory acquisition in respect of the Offer Shares is dependent on the level of acceptances of the Share Offer reaching the prescribed level under the Companies Ordinance and on the requirements of Rule 2.11 of the Takeovers Code being satisfied.

If the Offer Shares validly tendered for acceptance under the Share Offer are less than 90% of the Offer Shares or less than 90% of the Disinterested Shares during the Compulsory Acquisition Entitlement Period, the Offers will not become unconditional and will lapse and in such event, the Company will remain listed on the Stock Exchange in compliance with the public float requirement under the Listing Rules.

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## LETTER FROM THE BOARD

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### 11. FURTHER INFORMATION

You are advised to read the “Letter from Optima Capital” in, and “Appendix I — Further Terms of the Offers and Procedures for Acceptance”, to the Composite Document, and the accompanying Form(s) of Acceptance for information relating to the Offers, the acceptance and settlement procedures of the Offers, the making of the Offers to the overseas Qualifying Shareholders and the overseas Option Holders and taxation. Your attention is also drawn to the additional information contained in the appendices to the Composite Document.

### 12. RECOMMENDATIONS

The executive Directors (excluding Mr. Pan who is the sole legal and beneficial owner of the Offeror) are of the view that the terms of the Offers are fair and reasonable.

Investec has advised the Independent Board Committee that it considers the terms of the Offers to be fair and reasonable so far as the Qualifying Shareholders and the Option Holders are concerned, and accordingly, it recommends the Independent Board Committee to advise the Qualifying Shareholders and the Option Holders to accept the Offers.

The Independent Board Committee, having been so advised, considers the terms of the Offers to be fair and reasonable so far as the Qualifying Shareholders and the Option Holders are concerned, and accordingly, recommends the Qualifying Shareholders and the Option Holders to accept the Offers.

The full text of the letter from the Independent Board Committee addressed to the Qualifying Shareholders and the Option Holders is set out on pages 28 to 29 of the Composite Document. The full text of the letter from Investec addressed to the Independent Board Committee is set out on pages 30 to 63 of the Composite Document. You are advised to read both letters and the other information contained in the Composite Document carefully before taking any action in respect of the Offers.

The Qualifying Shareholders and the Option Holders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers.

Yours faithfully,  
For and on behalf of the Board  
**Goldin Properties Holdings Limited**

**Ting Kwang Yuan, Edmond**  
*Director*





GOLDIN PROPERTIES  
高銀地產

**GOLDIN PROPERTIES HOLDINGS LIMITED**

**高銀地產控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 283)**

19 April 2017

*To the Qualifying Shareholders and the Option Holders*

Dear Sir or Madam,

**PROPOSED PRIVATISATION  
BY WAY OF  
VOLUNTARY CONDITIONAL CASH OFFERS BY  
OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
SILVER STARLIGHT LIMITED  
FOR ALL THE ISSUED SHARES HELD BY  
QUALIFYING SHAREHOLDERS  
AND  
TO CANCEL ALL THE OUTSTANDING OPTIONS OF  
GOLDIN PROPERTIES HOLDINGS LIMITED**

**INTRODUCTION**

We refer to the Composite Document dated 19 April 2017 issued jointly by the Offeror and the Company of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as those defined in the section headed “Definitions” in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to make recommendations to you as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Qualifying Shareholders and the Option Holders are concerned and as to acceptances of the Offers.

We, being the members of the Independent Board Committee, have declared that we are independent and do not have any conflict of interest in respect of the Offers and are therefore able to consider the terms of the Offers and to make recommendations to the Qualifying Shareholders and the Option Holders.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Investec has been appointed, with our approval, as the Independent Financial Adviser to advise and make recommendations to us as to the terms of the Offers and as to acceptances of the Offers. The details of its advice and recommendations and the principal factors taken into consideration in arriving at its recommendations are set out in the “Letter from Investec” set out in the Composite Document.

We also wish to draw your attention to the “Letter from Optima Capital”, the “Letter from the Board” and the additional information set out in the Composite Document, including the appendices to the Composite Document and the accompanying Form(s) of Acceptance.

### RECOMMENDATIONS

Having taken into account the advice and recommendations of Investec, in particular the factors, reasons and recommendations as set out in the “Letter from Investec”, we concur with the view of Investec and consider that the terms of the Offers are fair and reasonable so far as the Qualifying Shareholders and the Option Holders are concerned, and recommend the Qualifying Shareholders and the Option Holders to accept the Offers.

Notwithstanding our recommendations, the Qualifying Shareholders and the Option Holders are strongly advised that their decision to realise or to hold their investment in the Company depends on their own individual circumstances and investment objectives. If in any doubt, the Qualifying Shareholders and the Option Holders should consult their own professional advisers for professional advice.

Yours faithfully,  
For and on behalf of the  
**Independent Board Committee of  
Goldin Properties Holdings Limited**

**Dr. Ng Lai Man, Carmen**  
*Independent  
non-executive Director*

**Mr. Lai Chi Kin**  
*Independent  
non-executive Director*

**Dr. Cheng Kwan Wai**  
*Independent  
non-executive Director*

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## LETTER FROM INVESTEC

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*The following is the text of the letter of advice from Investec Capital Asia Limited to the Independent Board Committee, the Qualifying Shareholders and the Option Holders in respect of the Offers prepared for the purpose of inclusion in the Composite Document.*



Investec Capital Asia Ltd  
Room 3609, 36/F,  
Two International Finance Centre  
8 Finance Street, Central, Hong Kong  
香港中環金融街8號  
國際金融中心二期36樓3609室  
Tel/電話: (852) 3187 5000  
Fax/傳真: (852) 2501 0171  
www.investec.com

19 April 2017

*To: The Independent Board Committee, the Qualifying Shareholders  
and the Option Holders of Goldin Properties Holdings Limited*

Dear Sir or Madam,

**PROPOSED PRIVATISATION  
BY WAY OF  
VOLUNTARY CONDITIONAL CASH OFFERS BY  
OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
SILVER STARLIGHT LIMITED  
FOR ALL THE ISSUED SHARES HELD BY  
QUALIFYING SHAREHOLDERS  
AND  
TO CANCEL ALL THE OUTSTANDING OPTIONS OF  
GOLDIN PROPERTIES HOLDINGS LIMITED**

### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee, the Qualifying Shareholders and the Option Holders with respect to the Offers, details of which are set out in the Composite Document dated 19 April 2017 jointly issued by the Company and the Offeror to the Qualifying Shareholders and the Option Holders, of which this letter forms part. Unless otherwise stated, terms defined in the Composite Document have the same meanings in this letter.

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## LETTER FROM INVESTEC

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As set out in the Composite Document, Optima Capital, on behalf of the Offeror, are making a voluntary conditional cash offer to acquire all the Offer Shares; and pursuant to Rule 13 of the Takeovers Code, extend an appropriate offer to cancel all the outstanding Options.

### THE INDEPENDENT BOARD COMMITTEE

The Board has established the Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Lai Chi Kin, Dr. Ng Lai Man, Carmen and Dr. Cheng Kwan Wai, to make a recommendation to the Qualifying Shareholders and the Option Holders as to whether the Offers are fair and reasonable and as to acceptance of the Offers. We have been appointed by Board with the approval of the Independent Board Committee as the Independent Financial Adviser in relation to the Offers, where our role is to provide the Independent Board Committee, the Qualifying Shareholders and the Option Holders with an independent opinion and recommendation as to whether the terms of the Offers are fair and reasonable as far as the Qualifying Shareholders and the Option Holders are concerned and whether the Qualifying Shareholders and the Option Holders should, or should not accept the Offers.

As at the Latest Practicable Date, we were independent from and not connected with the Company, the Offeror, their respective substantial shareholders and any party acting, or presumed to be acting, in concert with any of them, and accordingly, are qualified to give independent advice to the Independent Board Committee, the Qualifying Shareholders and the Option Holders regarding the Offers. Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company or the Offeror or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

### BASIS OF OUR OPINION

In formulating our advice and recommendation, we have relied solely on the statements, information, opinions, beliefs and representations for matters relating to the Group contained in the Composite Document and the information and representations provided to us by the Group and/or its senior management staff (the “**Management**”) and/or the Directors and/or the relevant professional parties engaged by the Company (the “**Professional Parties**”). We have assumed that all such statements, information, opinions, beliefs and representations contained or referred to in the Composite Document or otherwise provided or made or given by the Group and/or Management and/or the Directors and/or the Professional Parties and for which it is/they are solely responsible were true and accurate, and valid and complete in all material respects at the time they were made and given and continue to be true and accurate, and valid and complete in all material respects as at the date of the Composite Document. We have assumed that all the opinions, beliefs and representations for matters relating to the Group made or provided by Management and/or the Directors and/or the Professional Parties contained in the Composite Document have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or Management and/or the

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## LETTER FROM INVESTEC

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Directors and/or the Professional Parties that no material facts have been omitted from the information provided and referred to in the Composite Document and the Company shall notify Shareholders of any subsequent material changes as soon as possible.

We consider that we have been provided with sufficient information and documents to enable us to reach an informed view and the Management and the Directors has assured us that no material information has been withheld from us to allow us to reasonably rely on the information provided so as to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions, beliefs and representations provided to us by the Group and/or the Management and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Company, the Offeror and their shareholder(s) and subsidiaries or affiliates, and their respective histories, experience and track records, or the prospects of the markets in which they respectively operate.

### PRINCIPAL TERMS OF THE OFFERS

The Offers are being made by Optima Capital on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

#### Share Offer

For each Offer Share . . . . . HK\$9.0 in cash

The Share Offer is extended to all Qualifying Shareholders in accordance with the Takeovers Code.

#### Option Offer

For cancellation of each Option . . . . . Option Offer Price in cash

The Option Offer Price represents the difference between the Share Offer Price and the exercise price of the relevant Option. Depending on the exercise price of each relevant Option, the Option Offer Price ranges from HK\$2.4991 to HK\$6.31 per Option. The Option Offer is extended to all Option Holders in accordance with the Takeovers Code.

As set out in the letter from Optima Capital to the Composite Document (the “**Letter from Optima Capital**”), the Share Offer Price of HK\$9.0 per Offer Share represents:

- (i) a premium of approximately 14.1% over the closing price of HK\$7.89 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 14.2% over the closing price of HK\$7.88 per Share as quoted on the Stock Exchange on the Last Trading Day;

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## LETTER FROM INVESTEC

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- (iii) a premium of approximately 26.4% over the average closing price of approximately HK\$7.12 per Share based on the daily closing prices as quoted on the Stock Exchange for the last five trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 36.8% over the closing price of HK\$6.58 per Share as quoted on the Stock Exchange on the last trading day prior to the date of the Initial Announcement;
- (v) a premium of approximately 40.0% over the average closing price of approximately HK\$6.43 per Share based on the daily closing prices as quoted on the Stock Exchange for the last five trading days immediately prior to and including the last trading day prior to the date of the Initial Announcement;
- (vi) a premium of approximately 39.1% over the average closing price of approximately HK\$6.47 per Share based on the daily closing prices as quoted on the Stock Exchange for the last ten trading days immediately prior to and including the last trading day prior to the date of the Initial Announcement;
- (vii) a premium of approximately 33.9% over the average closing price of approximately HK\$6.72 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including the last trading day prior to the date of the Initial Announcement;
- (viii) a premium of approximately 101.3% over the unaudited consolidated net asset value per Share of approximately HK\$4.47 as at 30 September 2016, calculated based on the Group's unaudited consolidated total equity of approximately HK\$15,968.8 million as at 30 September 2016 as shown in the interim report of the Company for the six months ended 30 September 2016 and 3,573,129,237 Shares in issue as at the date of the Latest Practicable Date; and
- (ix) a premium of approximately 28.6% over the Adjusted NAV (defined hereafter) per Share of approximately HK\$7.0 as at 30 September 2016, calculated based on 3,573,129,237 Shares in issue as at the Latest Practicable Date.

Based on the Composite Document, as at the Latest Practicable Date, there were (i) 3,573,129,237 Shares in issue, of which 1,271,492,239 Shares were held by the Qualifying Shareholders; and (ii) 51,381,475 outstanding Options granted under the Share Option Schemes, entitling the Option Holders to subscribe for an aggregate of 51,381,475 Shares at an exercise price ranging from HK\$2.69 to HK\$6.5009 per Option.

Pursuant to the Directors Undertakings, each of Mr. Ting, Mr. Zhou and Mr. Li, all being executive Directors, has undertaken to the Offeror not to exercise their outstanding Options amounting to an aggregate number of 12,430,906 Options from the date of the Directors Undertakings until the close of the Offers.

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## LETTER FROM INVESTEC

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On the assumption that no Option is exercised before the close of the Offers and the Share Offer is accepted in full by the Qualifying Shareholders and on the basis that there will be 1,271,492,239 Offer Shares, the value of the Share Offer is approximately HK\$11,443.5 million and the total amount required to satisfy the cancellation of all the outstanding Options is approximately HK\$293.0 million. In aggregate, the Offers are valued at approximately HK\$11,736.5 million. On the assumption that all of the outstanding Options (other than the Directors Options) are exercised in full prior to the close of the Offers and the Share Offer is accepted in full (including all Shares allotted and issued as a result of the exercise of all such Options), the value of the Share Offer is approximately HK\$11,794.0 million and the total amount required to satisfy the cancellation of all the Directors Options is approximately HK\$72.5 million. In aggregate, the Offers are valued at approximately HK\$11,866.5 million.

As at the Latest Practicable Date, the Offeror and Offeror Concert Parties held 2,302,816,998 Shares in aggregate, representing approximately 64.45% of the total issued Shares.

### CONDITIONS OF THE OFFERS

As set out in the Composite Document, the Share Offer is subject to the following Conditions:

- (i) valid acceptance of the Share Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror holding at least 90% of the Offer Shares with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested Shares;
- (ii) no event having occurred which would make any of the Offers or the acquisition of any of the Offer Shares or the cancellation of the Options under the Option Offer void, unenforceable or illegal or prohibit implementation of any of the Offers or would impose any additional material conditions or obligations with respect to any of the Offers or any part thereof;
- (iii) all necessary consents (including consents from the relevant lenders) in connection with the Offers and in connection with the withdrawal of listing of the Shares from the Stock Exchange which may be required under any existing contractual obligations of the Group being obtained and remaining in effect;
- (iv) no relevant government, governmental, quasi-government, statutory or regulatory body, court or agency in Hong Kong or any other jurisdictions having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make any of the Offers or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to any of the Offers or its implementation in accordance with its terms); and

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## LETTER FROM INVESTEC

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- (v) since the date of the Joint Announcement, there having been no material adverse change in the business, assets, financial or trading positions or prospects or conditions (whether operational, legal or otherwise) of the Group (to an extent which is material in the context of the Group taken as a whole).

For further details on the Conditions, please refer to section headed “3. Conditions of the Offers” set out in the Letter from Optima Capital. In addition, Shareholders should also note that the Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out therein (other than the abovementioned Condition (i)). As at the Latest Practicable Date, to the best knowledge and belief of the Directors, no necessary consents referred to in Condition (iii) above have been identified so far. Save as the aforesaid, none of the Conditions had been fulfilled as at the Latest Practicable Date.

In addition to the Conditions set out above, the Offers are made on the basis that acceptance of the Share Offer by any person will constitute a representation and warranty by such person or persons to the Offeror, Optima Capital and the Company that the Offer Shares sold by such person or persons free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date.

The Option Offer will be subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. The Offeror reserves the right to revise the terms of the Offers in accordance with the Takeovers Code.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any or all of the Conditions (other than Condition (i)) so as to cause the Offers to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offers.

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

In formulating our opinion and recommendation regarding the Offers, we have taken into consideration the following principal factors:

#### **1. Background information of the Group**

The Company is a company incorporated in Hong Kong with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is primarily engaged in property development, property investment, and operation of a hotel and polo club. The Group is a premier property developer with a strategic focus on the high-end property market of the PRC, with a property portfolio of premium commercial, residential and hotel developments.



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**LETTER FROM INVESTEC**

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Set out below is a summary of (i) the unaudited consolidated financial results extracted from the Company's interim report for the six months ended 30 September 2016 (the "2016/2017 Interim Report"); and (ii) the audited consolidated financial results extracted from the Company's the annual report for the year ended 31 March 2016 (the "2015/2016 Annual Report").

<i>(HK\$'million)</i>	<b>For the six months ended</b>		<b>For the year ended</b>	
	<b>30 September</b>		<b>31 March</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Revenue				
— Sale of properties	6.5	27.1	1,123.8	474.8
— Hotel operation	18.1	8.3	34.5	17.6
— Advertising, VIP Box and ticketing income from polo tournaments	14.4	17.2	23.9	71.1
— Polo club membership income	2.3	3.4	5.0	3.2
— Project management fee	<u>1.9</u>	<u>1.3</u>	<u>3.0</u>	<u>2.6</u>
Total	43.2	57.4	1,190.2	569.3
Operating profit/(loss) before change in fair value of investment properties	(209.7)	(208.5)	66.4	(262.7)
Increase in fair value of investment properties	789.2	779.9	486.7	679.2
Fair value gain upon transfer to investment properties	<u>—</u>	<u>—</u>	<u>—</u>	<u>640.3</u>
Profit before tax	579.5	571.4	553.1	1,056.8
Income tax expenses	<u>(187.8)</u>	<u>(199.0)</u>	<u>(6.5)</u>	<u>(401.9)</u>
Profit for the period/year attributable to owners of the Company	<u><u>391.7</u></u>	<u><u>372.4</u></u>	<u><u>546.6</u></u>	<u><u>654.9</u></u>

*Financial results for the six months ended 30 September 2016*

As set out in the 2016/2017 Interim Report, the Group recorded revenue of approximately HK\$43.2 million and a profit attributable to owners of the Company of approximately HK\$391.7 million for the six months ended 30 September 2016, as compared to revenue of approximately HK\$57.4 million and a profit attributable to owners of the Company of approximately HK\$372.4 million for the six months ended 30 September 2015.

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## LETTER FROM INVESTEC

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The decrease in revenue was mainly attributable to the decline in recognised revenue from the sales of residential properties in Phase One of Fortune Heights during the six months ended 30 September 2016.

The profit before tax of the Group for each of the six months ended 30 September 2015 and 2016 was largely attributable to the increase in fair value of investment properties, being approximately HK\$779.9 million and HK\$789.2 million, respectively. Accordingly, the changes in market value of the investment property portfolio of the Group may have a material impact on the financial results of the Group. In this connection, we have conducted further work on property valuation, the details of which are set out in the paragraph headed “5.4.2 Valuation on properties” in this letter.

### *Financial results for years ended 31 March 2015 and 2016*

As set out in the 2015/2016 Annual Report, the Group recorded (i) revenue of approximately HK\$569.3 million and a profit attributable to owners of the Company of approximately HK\$654.9 million for the year ended 31 March 2015, and (ii) revenue of approximately HK\$1,190.2 million and a profit attributable to owners of the Company of approximately HK\$546.6 million for the year ended 31 March 2016.

The increase in revenue for the year ended 31 March 2016 as compared to 31 March 2015 was mainly attributable to the growth in recognised revenue from the sales of residential properties in Phase One of Fortune Heights during the year ended 31 March 2016.

The decrease in the profit before tax of the Group for the year ended 31 March 2016 as compared to 31 March 2015 was largely attributable to the one-off fair value gain upon transfer to investment properties of approximately HK\$640.3 million recorded during the year ended 31 March 2015. Furthermore, the increase in fair value of investment properties, being approximately HK\$679.2 million for the year ended 31 March 2015 and HK\$486.7 million for the year ended 31 March 2016, also contributed a significant portion of the Group’s profit before tax for the respective year under review. On this basis, the changes in market value of the investment property portfolio of the Group may have a material impact on the financial results of the Group.

Set out below is a summary of (i) the unaudited consolidated financial position extracted from the 2016/2017 Interim Report; and (ii) the audited consolidated financial positions extracted from the 2015/2016 Annual Report.

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**LETTER FROM INVESTEC**

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<i>(HK\$'million)</i>	<b>As at 30 September 2016 (Unaudited)</b>	<b>As at 31 March 2016 (Audited)</b>	<b>As at 31 March 2015 (Audited)</b>
<b>Non-current assets</b>	12,076.0	25,418.9	23,785.4
— Property, plant and equipment	2,206.2	2,282.5	2,458.3
— Investment properties	9,615.4	22,866.7	21,027.9
— Others	254.4	269.7	299.2
<b>Current assets</b>	25,410.2	10,384.8	9,863.5
— Properties for sale	8,985.5	8,991.0	9,516.9
— Trade and other receivables, prepayments and deposits	2,476.3	975.0	255.3
— Cash and cash equivalents	417.4	354.7	15.3
— Assets classified as held for sale	13,472.2	—	—
— Others	58.8	64.1	76.0
<b>Total Assets</b>	<u>37,486.2</u>	<u>35,803.7</u>	<u>33,648.9</u>
<b>Non-current liabilities</b>	1,809.0	10,044.4	9,307.7
— Other entrusted loan	808.5	—	—
— Loan from a related company	—	8,508.1	7,473.2
— Deferred tax liabilities	908.9	1,414.9	1,651.5
— Others	91.6	121.4	183.0
<b>Current liabilities</b>	19,708.5	9,425.2	7,651.1
— Trade and construction cost payables	3,521.2	7,769.7	6,183.1
— Other payables and accruals	934.9	913.3	884.9
— Tax payable	597.4	615.6	463.5
— Entrusted loan — Proposed Disposal	6,970.2	—	—
— Deferred income — Proposed Disposal	6,970.2	—	—
— Liability directly associated with assets classified as held for sale	648.9	—	—
— Others	65.7	126.6	119.6
<b>Total liabilities</b>	<u>21,517.5</u>	<u>19,469.6</u>	<u>16,958.8</u>
<b>Capital and Reserve</b>			
Share capital	10,949.7	10,949.7	10,925.5
Reserves	5,019.0	5,384.4	5,764.6
<b>Total equity</b>	<u>15,968.7</u>	<u>16,334.1</u>	<u>16,690.1</u>

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As at 30 September 2016, the Group's total assets amounted to approximately HK\$37,486.2 million as compared to approximately HK\$35,803.7 million and approximately HK\$33,648.9 million as at 31 March 2016 and 31 March 2015, respectively.

The total assets of the Group as at 30 September 2016 mainly comprised of (i) assets classified as held for sale of approximately HK\$13,472.2 million; (ii) investment properties of approximately HK\$9,615.4 million; (iii) properties for sale of approximately HK\$8,985.5 million; (iv) trade and other receivables, prepayments and deposits of approximately HK\$2,476.3 million; and (v) property, plant and equipment of approximately HK\$2,206.2 million.

The total liabilities of the Group as at 30 September 2016 mainly comprised (i) entrusted loan — proposed disposal of approximately HK\$6,970.2 million; (ii) deferred income — proposed disposal of approximately HK\$6,970.2 million; and (iii) trade and construction cost payables of approximately HK\$3,521.2 million.

With reference to the circular of the Company dated 13 May 2016 (the “**Disposal Circular**”) and the 2016/2017 Interim Report, on 1 March 2016, the Company entered into a local sale and purchase agreement with Goldin Properties (Tianjin) Co., Ltd. (a wholly-owned subsidiary of the Company), Shenzhen Yinji Hongye Investment Management Company Limited\* (深圳市銀基宏業投資管理有限公司), Goldin Development (Tianjin) Co., Ltd.\* (高銀置地(天津)有限公司) and Goldin Special Situations Limited and conditionally agreed to sell the shares of Goldin Development (Tianjin) Co., Ltd., the principal assets under the Proposed Disposal (defined hereunder) is the landmark Goldin Finance 117, a 37-storey grade-A office building, a high-end shopping mall, car parking spaces and other ancillary facilities (*Property No. 5 in the Valuation Report*), to 深圳市銀基宏業投資管理有限公司 (Shenzhen Yinji Hongye Investment Management Company Limited), a company established in the PRC and to be jointly controlled by Goldin Special Situations Limited or its nominees and China Cinda or any independent investors to be procured through a partnership fund, at a total consideration of RMB18.0 billion (equivalent to approximately HK\$21.6 billion), to be settled in three instalments (the “**Proposed Disposal**”). Please refer to the Disposal Circular for further details of the Proposed Disposal, including the estimated financial effects.

The Proposed Disposal was approved by the Company's then independent shareholders on 31 May 2016. Conditions for the first instalment were fulfilled and the first instalment of RMB6.0 billion was received by Goldin Tianjin in full in August 2016. As at the Latest Practicable Date, the Management confirmed that although the conditions for the second and third instalments have not been fully satisfied, the Proposed Disposal is expected to be completed by the end of 2017, and the second instalment of the consideration of RMB9.0 billion and the third instalment of the consideration of RMB3.0 billion shall be settled in full at the relevant time.

**2. Overview of macro-economy and the PRC's commercial and residential property sector**

***2.1 Overview of macro-economy and risks***

The global economy is facing uncertainties arising from events such as the anticipated withdrawal of the United Kingdom from the European Union, the potential implications of additional U.S. protectionist policies, potential changes in U.S. fiscal policy and a slowdown in the PRC's economy, which in turn could affect investor sentiment and preference.

Furthermore, both the U.S. and Hong Kong have experienced low interest rate environment in the recent years and there has been on-going speculation of further interest rate hikes by the Federal Reserve, which may affect global financial markets. Given Hong Kong's position as one of the leading international trading and financial centres and that its currency is pegged to the U.S. dollar, any such changes could have significant knock on effects to Hong Kong and its capital markets.

***2.2 PRC government policies***

Based on the information published on the website of the National Bureau of Statistics of China, ([www.data.stats.gov.cn](http://www.data.stats.gov.cn)), year-on-year growth in gross domestic product for the PRC was 6.7% in 2016 (2015: 6.9%). Under the Thirteenth Five Year Plan\* (十三五規劃) set out by the PRC government, the annual gross domestic product growth target for the next five years from 2016 is approximately 6.5%. We noted that urban development remains one of the focal points of the PRC government under its Thirteenth Five Year Plan, which sets out the overall direction of PRC government policies from 2016 to 2020.

Throughout 2016 and in the first quarter of 2017, the PRC government implemented various policy measures, at national and regional level, to promote long term sustainability of the PRC property market, which included but was not limited to (i) adjustment to the benchmark interest rate by the People's Bank of China; (ii) adjustment to the minimum down payment for buyers of second homes; (iii) impose limitation on property purchases\* (限購令) which varies from cities to cities, for example, buyers who are not local registered household\* (戶籍) are limited to purchasing one residential property in the subject PRC city, buyers are limited to purchasing a maximum of two properties in a single property development project; and (iv) minimum holding period before resale.

While the PRC property market is exposed to changes in PRC government policies, it is also exposed to volatility and to an extent is affected by the overall economic development of the PRC, both on a national level and a regional level.

In addition to the property market, PRC government policies also have a significant impact on capital movements in the PRC. Towards the end of 2016, the PRC government deployed a series of new capital controls with a view to dampening capital outflows. Such capital controls created an extra hurdle for multinational companies conducting business in the PRC, such as paying dividend

abroad and/or transferring funds to their operations outside the PRC, which are subject to delays and new scrutiny. In this connection, should the PRC government policies restricting capital outflow movement continue or worsen, the Management is of the view that the Company may encounter a longer duration to process transactions of capital outflow nature from the PRC.

### **2.3 Fluctuation in RMB**

As set out in the 2015/2016 Annual Report, over 99.9% of the Group's carrying amount of non-current assets were located in the PRC (excluding Hong Kong). While the Group's functional currency is RMB, its reporting currency is in Hong Kong dollars. The offshore RMB to HKD exchange rate (as extracted from Bloomberg) has decreased from approximately RMB1 to HK\$1.200 as at 31 March 2016 to approximately RMB1 to HK\$1.126 as at 31 March 2017, which has adversely affected the comprehensive income of the Group. We note from (i) the 2016/2017 Interim Report that the exchange difference arising on translation and total other comprehensive expense for the six months ended 30 September 2016 amounted to a loss of approximately HK\$762.1 million; and (ii) the 2015/2016 Annual Report that the exchange difference arising on translation and total other comprehensive expense for the year ended 31 March 2016 amounted to a loss of approximately HK\$939.0 million, both of which, as advised by the Management, were largely attributable to the devaluation of the RMB.

### **2.4 Overview of the commercial and residential property sector in Tianjin, the PRC**

As set out in the Composite Document, save for the owner occupied property in Shenzhen, the Properties (defined hereafter) are located in Tianjin province. On this basis, we have set out below an overview of the property market in Tianjin province based on information extracted from the website of China Real Estate Information (國信房地產資訊網) ([www.realestate.cei.gov.cn](http://www.realestate.cei.gov.cn)) operated by the State Information Center (國家資訊中心).

The total area of commodity properties\* (商品房) (Note 1) sold in Tianjin province in 2016 was approximately 27.1 million sq.m., as compared to approximately 17.7 million sq.m. in 2015, representing an increase of approximately 53.1% during the year. Total sales from properties sold in Tianjin province amounted to approximately RMB347.8 billion in 2016, representing an increase of approximately 94.3% as compared to the prior corresponding year. In addition, the total housing inventory transaction volume\* (全年存量房交易面積) (Note 2) in 2016 amounted to approximately 18.3 million sq.m., representing an increase of approximately 41.9% compared to the prior corresponding year. The transaction value of the total area of housing transaction volume in 2016 was RMB2.2 trillion, representing an increase of approximately 71.3% as compared to the prior corresponding year.

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*Note 1: inclusive of residential, commercial and office use properties*

*Note 2: generally referred to properties which have not previously been lived in*

In early April 2017, the PRC government announced in its website (www.gov.cn) its plan to accelerate planning for the Xiongan New Area\* (雄安新區). The establishment of the Xiongan New Area in Hebei province forms part of the measures to advance the coordinated development of the Beijing-Tianjin-Hebei region. The new area, similar to the Shenzhen Special Economic Zone and the Shanghai Pudong New Area, is of national significance as per the announcement. The area includes Xiongxian, Rongcheng and Anxin counties and their surrounding areas. It will eventually expand from the initial 100 square kilometers to 2,000 square kilometers. Given the early development stage of the Xiongan New Area, it is premature to reliably assess the actual impact it would have on the property sector in Tianjin.

### **3. Information on the Offeror**

The Offeror is an investment holding company incorporated on 25 January 2017 under the laws of the BVI and is 100% legally and beneficially owned by Mr. Pan, a controlling Shareholder, the chairman and chief executive officer of the Company. Mr. Pan is also the sole director of the Offeror. Mr. Pan, as the sole director and beneficial owner of the Offeror, is a party acting in concert with the Offeror. Mr. Pan has accumulated extensive experience in property development and finance in Hong Kong and the PRC over the years. He is also a controlling shareholder, the chairman of the board of directors and an executive director of Goldin Financial Holdings Limited, a company incorporated in Bermuda with its shares listed on the main board of the Stock Exchange (*Stock Code: 530*).

### **4. Intention of the Offeror regarding the Group**

As set out in the Letter from Optima Capital, if the Offeror acquires not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, it intends to exercise the right under the Companies Ordinance and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror under the Share Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially and ultimately owned as to 100% by Mr. Pan and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules. Whilst it is the intention of the Offeror to privatise the Company, the Offeror's ability to exercise rights of compulsory acquisition in respect of the Offer Shares is dependent on the level of acceptances of the Share Offer reaching the prescribed level under the Companies Ordinance and on the requirements of Rule 2.11 of the Takeovers Code being satisfied.

It is also stated that it is the intention of the Offeror to continue with the existing principal businesses of the Group. The Offeror will conduct a more detailed review on the operations of the Group with a view to formulating a suitable business strategy for the Group and will explore other business opportunities and consider whether any assets, business acquisitions and/or investment by the Group will be appropriate in

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order to enhance its growth. Save as aforesaid, as at the Latest Practicable Date, the Offeror has no intention or concrete plans for any acquisition or disposal of assets and/or business by the Group and has no intention to (i) discontinue the employment of any employees of the Group (save for possible change(s) in the composition of the Board, which will be made in compliance with the Takeovers Code); (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business; or (iii) introduce any major changes in the existing operations and business of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to increase the value of the Group.

### 5. Analysis on Share Offer Price

#### 5.1 Historical price performance of the Shares

We have reviewed and analysed the closing prices of the Shares over the 12 months period immediately prior to the date of the Initial Announcement commencing on 21 March 2016 up to 10 March 2017, being the last trading day prior to the publication of the Initial Announcement (the “**First Review Period**”) and from the first trading day after the publication of the Initial Announcement up to and including the Latest Practicable Date (the “**Second Review Period**”) together with the First Review Period, the “**Review Period**”) below:

*Chart A: Closing Share price during the Review Period*



Sources: Bloomberg and the website of the Stock Exchange

During the First Review Period, the closing price of the Shares fluctuated between the range from HK\$2.84 to HK\$7.50. The average closing price of the Shares during the First Review Period was approximately HK\$5.35.



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The closing price of the Shares at the commencement of the First Review Period was HK\$3.66, which decreased slightly to HK\$3.45 on 1 June 2016 (being the trading day after the publication of the general meeting results for the approval of the Proposed Disposal), and further to HK\$3.11 on 29 June 2016 (being the trading day after the publication of the annual results announcement dated 28 June 2016). Between 1 July 2016 and 31 August 2016, the closing price of the Shares was largely on an upward trend and fluctuated between HK\$3.03 (12 and 13 July 2016) and HK\$7.44 (31 August 2016). From 1 September 2016 to 30 November 2016, the closing price of the Shares fluctuated between HK\$7.50 (2 September 2016) and HK\$4.80 (7 November 2016). The interim results announcement was published after trading hour on 24 November 2016, and the closing price per Share on 25 November 2016 was HK\$6.05.

Subsequently, on 13 March 2017, the trading in the Shares was halted pending the release of an announcement pursuant to the Takeovers Code and trading was resumed on 21 March 2017 after the publication of the Initial Announcement issued by the Company pursuant Rule 3.7 of the Takeovers Code, which sets out, among other things, that the Board was informed by Mr. Pan, the chairman of the Board, an executive Director and the sole ultimate beneficial owner of Goldin Group (Investment) that he proposed to privatise the Company by making a voluntary conditional cash offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by him and parties acting in concert with him).

Based on the information reviewed, the closing price per Share of HK\$6.58 on the last trading day immediately prior to the publication of the Initial Announcement increased to the closing price of HK\$6.69 per Share on the first trading day after the publication of the Initial Announcement.

During the Second Review Period, the closing price per Share ranged from HK\$6.69 to HK\$8.40. The average closing price of the Shares during the Second Review Period was approximately HK\$7.79. The closing price per Share as at the Latest Practicable Date was HK\$7.89.

The average closing price per Share during the Second Review Period of approximately HK\$7.79 is significantly higher than that of the First Review Period of approximately HK\$5.35, such notable increase may be attributable to the market reaction to the publication of the Initial Announcement and the Joint Announcement and therefore, the sustainability of the current price level of the Shares is subject to uncertainties. As shown in the Chart A above, the closing prices of the Shares during the First Review Period had always been notably below the Share Offer Price of HK\$9.0 prior to the Initial Announcement.

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The Share Offer Price represents:

- (i) a premium of approximately 20.0% to the highest closing price of the Shares of HK\$7.50 during the First Review Period;
- (ii) a premium of approximately 216.9% to the lowest closing price of the Shares of HK\$2.84 during the First Review Period;
- (iii) a premium of approximately 68.2% to the average closing Share price of HK\$5.35 during the First Review Period; and
- (iv) a premium of approximately 14.1% to the closing price of the Shares of HK\$7.79 as at the Latest Practicable Date.

### 5.2 Historical liquidity of the Shares

The following table sets out the monthly total trading volume, the number of trading days in each month, the highest, lowest and average daily number of Shares traded in each month and the percentage of average daily trading volume of Shares as compared to the total number of Shares in issue during the Review Period:

Month	Number of trading days	Total trading volume <i>(number of Shares)</i>	Average daily trading volume <i>(number of Shares)</i>	Approximately percentage of average daily trading volume to total number of Shares in issue <i>(%) (Note 1)</i>
<b>2016</b>				
March <i>(Note 2)</i>	7	54,107,329	7,729,618	0.22%
April	20	98,307,585	4,915,379	0.14%
May	21	66,973,522	3,189,215	0.09%
June	21	39,334,569	1,873,075	0.05%
July	20	117,094,391	5,854,720	0.16%
August	22	191,319,915	8,696,360	0.24%
September	21	63,093,746	3,004,464	0.08%
October	19	16,343,650	860,192	0.02%
November	22	20,818,820	946,310	0.03%
December	20	24,192,636	1,209,632	0.03%
<b>2017</b>				
January	19	10,995,222	578,696	0.02%
February	20	21,591,210	1,079,561	0.03%
March <i>(Note 3)</i>	8	5,617,480	702,185	0.02%
March <i>(Note 4)</i>	8	36,928,093	4,616,012	0.13%
April <i>(Note 4)</i>	7	8,262,000	1,032,750	0.03%
<b>Average for:</b>				
— First Review Period		<b>56,137,698</b>	<b>3,126,108</b>	<b>0.09%</b>
— Second Review Period		<b>22,595,047</b>	<b>2,824,381</b>	<b>0.08%</b>

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*Source: Bloomberg and the website of the Stock Exchange*

*Notes:*

- (1) Based on issued Shares as disclosed in the monthly return of movements in securities of the Company*
- (2) Commencing on 21 March 2016 up to and including 31 March 2016*
- (3) Up to and including 10 March 2017, being the end of the First Review Period*
- (4) Trading of Shares was suspended from 13 March 2017 to 20 March 2017 pending the release of the Initial Announcement, the Second Review Period commenced on the first trading day after the publication of the Initial Announcement (i.e. 21 March 2017) up to and including the Latest Practicable Date.*

The above table demonstrates that during the First Review Period, the average daily trading volume of the Shares as a percentage of the total number of the Shares in issue ranged from approximately 0.02% (October 2016, January 2017 and March 2017) to 0.24% (August 2016) with an average of approximately 0.09%. During the Second Review Period, the average daily trading volume of the Shares as a percentage of the total number of the Shares in issue ranged from approximately 0.03% (April 2017, up to Latest Practicable Date) to 0.13% (March 2017, since commencement of the Second Review Period) with an average of approximately 0.08%. The above statistics revealed that trading in the Shares was relatively thin during the First Review Period and the Second Review Period, and the Shares were generally illiquid in the open market. The Share Offer therefore presents an opportunity for the Qualifying Shareholders who consider disposing their significant number of Shares in the open market, as they can dispose of their Shares without exerting downward pressure on the market price of the Shares as a result of the disposal.

### ***5.3 Historical market price to net asset value ratio***

Further to our analysis on the historical price performance and liquidity of the Shares, we have also compared the historical closing price of the Shares (on the trading day immediately after the publication of the respective results announcement) against the then latest consolidated net asset value of the Group with a view to assess the premium/discount of the Share price to net asset value per Share at regular intervals (i.e. approximately every six months). We have assumed that the then latest consolidated net asset value of the Group was generally available to the market from the date of publication of the relevant results announcements and the Share price has reflected such information thereafter.

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	Date of results announcement	Net asset value attributable to the Shareholders per Share (A) (Note 1) HK\$	Closing price per Share on the trading day immediately after the relevant results announcement date (B) (Note 2) HK\$	Premium/(discount) of closing price to net asset value per Share (the “Price to NAV”) (calculated based on (B – A)/A) %
Interim results for the six months ended 30 September 2015	27 November 2015	4.64	6.10	31.5
Annual results for the year ended 31 March 2016	28 June 2016	4.57	3.11	(31.9)
Interim results for the six months ended 30 September 2016	24 November 2016	4.47	6.05	35.3
Average premium/ (discount) of closing price to net asset value per Share (the “Average Price to NAV”)	—	—	—	11.6

*Notes:*

- (1) *Net asset value attributable to the Shareholders per Share are calculated based on the net assets value extracted from the Company’s respective annual report or interim report divided by the total number of Shares issued as at the corresponding year ended/period ended date.*
- (2) *Based on information extracted from the website of Stock Exchange and/or Bloomberg.*

Based on the analysis set out above, the stated premium of the Share Offer Price to the unaudited net asset attributable to the Shareholders as at 30 September 2016 of approximately 101.3% (the “**Share Offer Price to NAV**”) is considerably higher than (i) the highest premium of approximately 35.3%; and (ii) the Average Price to NAV of a premium of approximately 11.6%, as set out above. On this basis, the Share Offer represents an unique liquidity event for the Qualifying Shareholders to realise their investment in the Company at the Share Offer Price which represents a considerably larger premium to the Group’s latest published unaudited net asset value.

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**5.4 Assets, valuation and adjusted net asset value**

*5.4.1 Analysis on assets*

As set out in the 2016/2017 Interim Report, the Group's total assets as at 30 September 2016 were approximately HK\$37,486.3 million, a summary of which are set out below:

	<b>As at 30 September 2016</b>	<b>Approximate % of total assets</b>
	<i>HK\$'million</i>	
<b>Properties related assets</b>		
— Assets classified as held for sale	13,472.2	35.9%
— Investment properties	9,615.4	25.7%
— Properties for sale	8,985.5	24.0%
— Property, plant and equipment	2,206.2	5.9%
<b>Other assets</b>		
— Cash and cash equivalents	417.4	1.1%
— Others	2,789.5	7.4%
<b>Total Assets</b>	<b>37,486.2</b>	<b>100.0%</b>

As set out above, as at 30 September 2016, over 90.0% of the Group's assets were property-related assets, while the remaining assets were principally comprised of trade and other receivables, prepayments and deposits.

*5.4.2 Valuation on properties*

The valuation report of the Group's property interests conducted by Savills Valuation and Professional Services Limited (the "Valuer") as at 31 January 2017 is set out in Appendix III to the Composite Document (the "Valuation Report"). The Management advised that the Group's property related assets as at 31 January 2017 mainly comprised of (i) owner occupied property in Shenzhen, the PRC; (ii) a hotel in Tianjin, the PRC; (iii) property held by the Group for sale in Tianjin, the PRC; (iv) various properties under development or for future development located in Tianjin, the PRC; and (v) a polo club park rented by the Group in Tianjin, the PRC (together the "Properties").

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Based on information extracted from the Composite Document, set out below is a summary of the Group's major properties interests as at 31 January 2017:

City/Province	Description as per the Valuation Report	Total GFA/Total Planned GFA (approximately)	Valuation as per Valuation Report (RMB million)
<i>I. Property held by the Group for owner occupation</i>			
1. Shenzhen, Guangdong Province	A luxury low density residential development located in Nan'ao Town, Shenzhen. The property comprises two residential units, one being a duplex unit and one being a simplex unit, of a 2-storey residential block.	527 sq.m.	135
<i>II. Property held by the Group for operation</i>			
2. Xiqing District, Tianjin	The property comprises two 5-storey hotel buildings erected on three parcels of land.	90,844 sq.m.	1,100
<i>III. Property held by the Group for sale</i>			
3. Huayuan Industrial District (Outer Ring), Tianjin	Portion of Phase I of Residential Portion of Goldin Metropolitan, a high-end integrated property development project, which was completed by 2013 in phases. As at the date of valuation, the interior fitting out was in progress.	241,922 sq.m.	5,316
<i>IV. Properties held by the Group under development</i>			
4. Huayuan Industrial District (Outer Ring), Tianjin	Phase II of Residential Portion of Goldin Metropolitan. The Group advised that the property will accommodate high-rise apartments, villas, basement car parks and ancillary facilities.	757,365 sq.m.	17,564
5. Huayuan Industrial District (Outer Ring), Tianjin	Phase I of the CBD portion of Goldin Metropolitan. When completed, the property will accommodate a 117-storey office/hotel building, a 37-storey grade-A office building, a 6-level (including basements) shopping mall and four 2-storey stand-alone retail buildings, basement car parks and ancillary facilities.	846,943 sq.m.	12,008

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City/Province	Description as per the Valuation Report	Total GFA/Total Planned GFA (approximately)	Valuation as per Valuation Report (RMB million)
6. Huayuan Industrial District (Outer Ring), Tianjin	CBD Phase II and Portion of CBD Phase III of Goldin Metropolitan, including retail areas, office areas, exhibition centre, opera theatre, cinema, food court, shopping mall, basement car parks and ancillary facilities upon completion.	1,127,212 sq.m.	7,249
<i>V. Property held by the Group for future development</i>			
7. Huayuan Industrial District (Outer Ring), Tianjin	Portion of CBD Phase III of Goldin Metropolitan, including office areas, basement car parks and ancillary facilities.	189,133 sq.m.	782

The Company applied the property valuations as per the Valuation Report to calculate the adjusted unaudited consolidated net assets of the Group shown in sub-section headed “5.4.3 Adjusted Net Asset Value” below, which is one of the key factors that we have considered in assessing the fairness and reasonableness of the Share Offer Price. In this connection, we have reviewed and discussed with the Valuer the methodology of, and basis and assumptions adopted in respect of, the valuation of the Properties as set out in the Valuation Report. Moreover, we have discussed with the engagement team of the Valuer as to their expertise and property valuation experience (further details of which are set out in the property valuation report).

As set out in the Valuation Report, the valuation of the Properties was prepared in compliance with the requirements set out in Rule 11 of the Takeovers Code and in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on the Stock Exchange and in accordance with the HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors.

For the purpose of the valuation, the Valuer has adopted (i) the direct comparison approach by making reference to comparable sales transactions as available in the market assuming sales with the benefit of vacant possession for property in Group I and II; (ii) the direct comparison approach by making reference to comparable sales transactions as available in the market and have also taken into account the fitting-out costs that will be expended for property in Group III; (iii) the direct comparison approach by making reference to comparable sales transactions as available in the market and have also taken into account the costs that will be expended to complete the developments to reflect the quality of the completed developments for properties in Group IV and assumed that all consents, approvals and licenses from relevant government authorities for the

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development proposals have been obtained without onerous conditions or delays; and (iv) the direct comparison approach by making reference to comparable market transactions as available in the market for property in Group V.

We consider that the methodology used is generally in line with market practice. Based on the foregoing, we considered the Valuation Report by the Valuer to be an appropriate source of information for the purpose of calculating the adjusted net asset value.

### 5.4.3 Adjusted Net Asset Value

The valuation of property interests of the Group as set out in “Appendix III — Property Valuation of the Group” to the Composite Document and under sub-section 5.4.2 above have been used by the Company to calculate the adjusted unaudited consolidated net assets of the Group. For the purpose of formulating our advice on the Share Offer Price, we have compared the Share Offer Price with the adjusted unaudited consolidated net asset value (the “**Adjusted NAV**”) per Share. Set out below is the calculation of the Adjusted NAV by the Company extracted from “Appendix II — Financial Information of the Group”.

	<i>HK\$'million</i>
Unaudited consolidated net asset value of the Group as at 30 September 2016 ( <i>Note 1</i> )	15,968.8
<i>Adjustments:</i>	
— Fair value gain on the property interests of the Group as at 31 January 2017 based on the Valuation Report ( <i>Note 2</i> )	17,080.0
— Deferred taxes on fair value gain on the property interests of the Group as at 31 January 2017 ( <i>Note 3</i> )	(8,497.9)
— Estimated gain on disposal of a subsidiary ( <i>Note 4</i> )	<u>401.6</u>
<b>Adjusted NAV</b>	24,952.5
<b>Adjusted NAV per Share</b> ( <i>Note 5</i> )	HK\$7.0

#### *Notes:*

- (1) *The amount is extracted from the unaudited condensed consolidated statement of financial position as at 30 September 2016 of section 2(B) of this Appendix II to this Composite Document.*



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- (2) *The fair value gain represents the excess of market value of the property interests as at 31 January 2017 over their corresponding carrying amount as at 31 January 2017 (representing the book value as at 30 September 2016 plus construction cost incurred during the period from October 2016 to January 2017 less depreciation/amortisation for the period from October 2016 to January 2017, if applicable).*
- (3) *Relevant PRC taxes on property interests included enterprise income tax (“EIT”) and land appreciation taxes (“LAT”). Deferred taxes on fair value gain is estimated on the basis that the fair value uplift on all categories of property interests shall be subject to EIT and estimation of LAT was only determined for the surplus of properties which are held for sale. EIT is calculated at tax rate of 25% while LAT is provided at progressive rates from 30% to 60% according to the relevant PRC tax laws and regulations.*
- (4) *As disclosed in the circular dated on 13 May 2016, pursuant to the framework disposal agreement signed on 16 December 2015 and the sale and purchase agreement signed on 1 March 2016, the Company has conditionally agreed to procure Goldin Properties (Tianjin) Co. Ltd. (“Goldin Tianjin”), to transfer the ownership of the certain properties (the “Property”) to Goldin Development (Tianjin) Co., Ltd. (the “Target Company”), a wholly owned subsidiary of the Company. Upon completion of the transfer of the Property, the transfer of the entire equity interests of the Target Company from Goldin Tianjin to the Shenzhen Yinji Hongye Investment Management Company Limited (the “Investment Company”) will take place and the Investment Company will own the entire interest of the Property. The Investment Company will be beneficially owned as to 50% and 50% by Goldin Special Situations Limited or its nominees and China Cinda Asset Management Co., Ltd — Beijing Branch or any independent investors to be procured through the partnership fund respectively. The consideration for the Disposal shall be RMB18.00 billion (equivalent to approximately HK\$20.45 million) on completion basis. The Disposal has not been completed as at the Latest Practicable Date. For the purpose of calculation of the Adjusted NAV as at 30 September 2016, the gain on Disposal is incorporated in the calculation to duly reflect the estimated financial impact on NAV. The estimated gain on Disposal is arrived at on the basis of the consideration after deducting the fair value of the Property as at 31 January 2017 together with the estimated cost to be incurred for completion and after taking into account the estimated tax payable in accordance with the relevant tax laws in the PRC.*
- (5) *The Adjusted NAV per Share is arrived at on the basis of 3,573,129,237 Shares in issue as at the Latest Practicable Date.*

For further information on the Adjusted NAV, please refer to the section headed “5. Property interests and adjusted net asset value” under Appendix II to the Composite Document.

As per the table above, the Share Offer Price of HK\$9.0 represents a premium of approximately 28.6% over the Adjusted NAV of HK\$7.0. On this basis, the implied price-to-book ratio (the “**P/B ratio**”) of the Share Offer Price, calculated based on the Share Offer Price divided by the Adjusted NAV per Share, would be approximately 1.29 times (the “**Adjusted P/B ratio**”).

In connection with the Adjusted NAV, of which the valuation of property interests of the Group formed an integral part, we have discussed with the Valuer regarding their valuation methodology, basis and assumptions adopted. For further details of our work performed, please refer to the sub-section headed “5.4.2 Valuation on properties” in this letter above. We have also discussed with Management the basis of (i) the deferred taxes, which is set out under note 3 to the Adjusted NAV calculation table above, with reference to the relevant PRC tax regulations; and (ii) the calculations of the estimated gain on disposal of subsidiary. In addition, we have also cross checked the unaudited consolidated net asset value of the Group as at 30 September 2016 against Appendix II to the Composite Document as well as the 2016/2017 Interim Report, and recomputed the Adjusted NAV and Adjusted NAV per Share amounts based on information provided.

### ***5.5 Comparison with privatisation precedents and comparable companies***

This section sets forth (i) the comparison of the Share Offer Price against the trading prices and Adjusted NAV of privatisation precedents; and (ii) the Share Offer Price against the trading prices and price-to-book ratio of companies comparable to the Group.

#### ***5.5.1 Comparison with privatisation precedents***

We are of the view that as the Group is an asset-based property group, the conventional practice would be to evaluate the Share Offer Price against the net asset backing of the Group. Accordingly, in assessing the fairness of the Share Offer Price, apart from the premium of the Share Offer Price over the market price of the Shares, we also considered the Share Offer Price to the Adjusted NAV per Share ratio to be one of the more important and relevant benchmarks.

In view of the limited number of privatisation of property companies from the Stock Exchange, we have adopted a relatively longer horizon in selecting the comparable privatisation precedents for property companies on the Stock Exchange in order to collate a decent number of precedent cases. For the purposes of this exercise, we have identified the privatising proposals involving companies listed on the Stock Exchange with principal activities in property development and/or investment (i.e. contributed to not less than 50% of revenue in aggregate to the subject company at the time of the privatisation based on the respective composite document/scheme document) announced since 1 January 2010 and up to the Latest Practicable Date (the “**Privatisation Precedents**”) and performed a comparison of the premium over prevailing market prices at which the Privatisation Precedents have been

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priced and the level of discount to/premium over consolidated adjusted net assets per share (as per the respective composite document/scheme document of the Privatisation Precedents) at which the Privatisation Precedents were made. It is our view that the Privatisation Precedents represent a complete and exhaustive list of privatisation proposals involving companies engaged in similar business as that of the Group in the recent time frame. The results of the comparison are set out below:

Company (Stock Code (current/former))	Date of initial announcement	Principal Activities	Offer/Cancellation Price	Premium of offer/cancellation price over the closing price on the last trading day prior to announcement of the privatisation proposals	Premium of offer/cancellation price over the closing price on the last 30/90 trading days prior to announcement of the privatisation proposals		Premium/ (discount) of offer/cancellation price to consolidated NAV per share (Note 1)	Premium/ (discount) of offer/cancellation price to consolidated adjusted NAV per share (Note 2)	Result of privatisation proposal
					30 trading days	90 trading days			
Dalian Wanda Commercial Properties Co., Ltd ("Dalian Wanda") (3699)	30 May 2016	Property leasing and management, development and sales of properties and development and operation of luxury hotels	52.80	3.0%	24.1%	33.2%	13.3%	(10.8)%	Successful
New World China Land Limited (917)	6 January 2016	Property development and investment in the PRC	7.80	25.6%	40.8%	53.8%	14.6%	(29.4)%	Successful
New World China Land Limited (917)	13 March 2014	Property development and investment in the PRC	6.80	32.3%	53.7%	64.1%	1.8%	(32.5)%	Failed
Glorious Property Holdings Limited (845)	21 November 2013	Property development and investment	1.80	45.2%	56.5%	53.8%	(39.0)%	(40.1)%	Failed
Frasers Property (China) Ltd (535)	8 May 2012	Property investment, development and management of residential, commercial and business park projects	0.28	47.4%	62.8%	69.7%	(19.3)%	(46.7)%	Failed
Shanghai Forte Land Company Limited (2337)	20 January 2011	Property development and investment	3.50	25.4%	31.9% (Note 3)	40.6% (Note 4)	7.5%	(26.2)%	Successful
Wheelock Properties Limited (49)	27 April 2010	Ownership of properties for development and letting, and investment holding	13.00	143.9%	162.1%	162.1%	(3.3)%	(12.1)%	Successful
		<b>Inclusive of both successful and failed Privatisation Precedents</b>	<b>Average</b>	46.1%	61.7%	68.2%	(3.5)%	(28.3)%	
			<b>Minimum</b>	3.0%	24.1%	33.2%	(39.0)%	(46.7)%	
			<b>Maximum</b>	143.9%	162.1%	162.1%	14.6%	(10.8)%	
		<b>Successful Privatisation Precedents only</b>	<b>Average</b>	49.5%	64.7%	72.4%	8.0%	(19.6)%	
			<b>Minimum</b>	3.0%	24.1%	33.2%	(3.3)%	(29.4)%	
			<b>Maximum</b>	143.9%	162.1%	162.1%	14.6%	(10.8)%	
The Company (283)	29 March 2017		<b>Share Offer</b>	36.8% (Note 5)	33.9%	36.6%	101.3%	28.6%	

*Source: the website of the Stock Exchange, the respective announcement, composite document and/or scheme document of the company, Bloomberg*

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*Notes:*

- (1) The premium/(discount) of offer/cancellation price over/(to) consolidated NAV per share of the each of the Privatisation Precedents is based on the latest consolidated net asset value attributable to its equity holders as extracted from the relevant composite offer document or scheme document of the Privatisation Precedents.*
- (2) The discount of the offer/cancellation price to the consolidated adjusted net asset value per share of the each of the Privatisation Precedents is based on the information disclosed in the relevant composite offer document or scheme document of the Privatisation Precedents. As set out in the relevant document of the Privatisation Precedents, the respective adjusted NAV per share stated therein was derived based on the latest consolidated net asset value attributable to its equity holders and relevant valuation related adjustments for their respective property interests, tax and other events, if any.*
- (3) Premium of the relevant offer over the average closing price for one month up to and including the last trading day as set out in the composite document issued by Fosun International Limited and Shanghai Forte Land Co., Ltd. dated 25 February 2011.*
- (4) Premium of the relevant offer over the average closing price for three months up to and including the last trading day as set out in the composite document issued by Fosun International Limited and Shanghai Forte Land Co., Ltd. dated 25 February 2011.*
- (5) Based on closing price of per Share of HK\$6.58 on 10 March 2016, the last trading day prior to the publication of the Initial Announcement.*
- (6) Save for the Dalian Wanda, none of the Privatisation Precedents had published any announcement and/or initial indicative price pursuant to Rule 3.7 of the Takeovers Code in respect of their privatisation proposal prior to the announcement of privatisation proposal pursuant to Rule 3.5 of the Takeovers Code.*

Based on the table above, (i) the premium of offer/cancellation price over the closing price of the relevant last trading day prior to announcement of privatisation for the Privatisation Precedents ranged from approximately 3.0% to 143.9% and with an average of approximately 46.1%; (ii) the premium of offer/cancellation price over the average share price of last 30 trading days prior to announcement of privatisation for the Privatisation Precedents ranged from approximately 24.1% to 162.1% and with an average of approximately 61.7%; (iii) the premium of offer/cancellation price over the average share price of last 90 trading days prior to announcement of privatisation for the Privatisation Precedents ranged from approximately 33.2% to 162.1% and with an average of approximately 68.2%; (iv) the premium/discount of offer/cancellation price over/to the latest consolidated net asset value attributable to the equity holders per share of the relevant Privatisation Precedents ranged from a discount of approximately 39.0% to a premium of approximately 14.6% and the average was a discount of approximately 3.5%; and (v) all offer/cancellation price of the Privatisation

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Precedents represented a discount to consolidated adjusted net asset value per share which ranged from approximately 10.8% to 46.7% and with an average discount of approximately 28.3%.

It was noted that four out of seven Privatisation Precedents were successfully in their privatisation proposals and proceeded to delist from the Stock Exchange. On this basis, further analysis sets out below only include successful Privatisation Precedents. We noted from these successfully Privatisation Precedents that (i) the premium of offer/cancellation price over the closing price of the relevant last trading day prior to announcement of privatisation ranged from approximately 3.0% to 143.9% and with an average of approximately 49.5% (the “**LTD Range**”); (ii) the premium of offer/cancellation price over the average share price of 30 trading days prior to announcement of privatisation ranged from approximately 24.1% to 162.1% (the “**30 TD Range**”) and with an average of approximately 64.7%; (iii) the premium of offer/cancellation price over the average share price of 90 trading days prior to announcement of privatisation ranged from approximately 33.2% to 162.1% (the “**90 TD Range**”) and with an average of approximately 72.4%; (iv) the premium/discount of offer/cancellation price over/to the latest consolidated net asset value attributable to the equity holders per share ranged from a discount of approximately 3.3% to a premium of approximately 14.6% (the “**NAV Range**”) and the average was a premium of approximately 8.0%; and (v) the offer/cancellation price of the successful Privatisation Precedents all represented a discount to consolidated adjusted net asset value per share which ranged from approximately 10.8% to 29.4% (the “**Adjusted NAV Range**”) and with an average discount of approximately 19.6%.

If the relevant last trading day, 30 trading days average and 90 trading days average are calculated based with reference to the Initial Announcement, the Share Offer Price represents premium of (i) approximately 36.8% over the closing price of the last trading day; (ii) approximately 33.9% over the average closing price of 30 trading days; and (iii) approximately 36.6% over the average closing price of 90 trading days, which falls within each of (i) the LTD Range; (ii) the 30 TD Range; and (iii) the 90 TD Range, respectively.

In addition, the Share Offer Price represents (i) a premium of approximately 101.3% over the NAV per Share as at 30 September 2016; and (ii) a premium of approximately 28.6% to the Adjusted NAV per Share, which are above the NAV Range and the Adjusted NAV Range, respectively. Based on the foregoing analysis on the Privatisation Precedents, we are of the view that the Share Offer Price is fair and reasonable.

*5.5.2 Comparison with market comparables*

In assessing the fairness and reasonableness of the Share Offer Price, we have considered using the price-to-earnings ratio (the “**P/E ratio(s)**”) and the price-to-book ratios (the “**P/B ratio(s)**”) of companies which are listed on the Main Board of the Stock Exchange and are engaged in similar businesses to those of the Group for comparison purposes, namely, property development and property investment, which should contribute to not less than 50% of revenue in aggregate to these comparable companies as per their respective financial results publication.

However, for asset-based companies such as property investment companies listed in Hong Kong, P/B ratio analysis is a more commonly used approach for valuation. On the other hand, earnings of property investment companies are likely to fluctuate substantially depending on the timing of the sales of the property projects as well as fair value movements of the investment properties during the relevant period which may lead to possible distortions on the results of a P/E ratio analysis. Such is evidenced by the Group’s consolidated financial results (i) for the six months ended 30 September 2016 with an unaudited profit after tax of approximately HK\$391.7 million, which included increase in fair value of investment properties of approximately HK\$789.2 million, representing more than two times the profit after tax for the period; and (ii) for the year ended 31 March 2016 with a profit after tax of approximately HK\$546.6 million, which included increase in fair value of investment properties of approximately HK\$486.7 million, being approximately 89.0% of the profit after tax for the year. On this basis, our analysis was primarily focused on comparison of P/B ratios of the Comparable Companies (defined hereafter).

For the purpose of our comparable analysis, we have identified the following companies as relevant comparables to the Company based on the following criteria: (i) listed on the Main Board of the Stock Exchange and engaging in businesses similar to those of the Group, namely, property development and property investment (i.e. contributed to not less than 50% of revenue in aggregate); (ii) revenue primarily generated in the PRC; and (iii) with a market capitalisation of not less than HK\$20 billion but not more than HK\$50 billion as at the Latest Practicable Date compared to the implied market capitalisation of the Company of HK\$32.2 billion based on the Share Offer Price of HK\$9.0. Based on the aforementioned criteria, we have identified, a list of 11 comparable companies (the “**Comparable Companies**”), representing a complete and exhaustive list, providing relevant benchmark for assessing the Offer Price. The table below sets out the P/B ratio of each of the Comparable Companies and the Adjusted P/B ratio of the Company.

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Company name (Stock code)	Principal Business (Note 1)	Share Price (Note 2) HK\$	Market capitalisation (Note 2) HK 'million	P/B ratio (approximately) (Note 3)
Agile Group Holdings Ltd. (3383)	Property development, property management, hotel operations and property investment	7.30	28,594	0.72
China Jinmao Holdings Group Ltd. (817)	Development of, investment in and operation of real estate projects, focusing on city and property development, hotel operations, commercial leasing and retail operations	2.58	27,535	0.77
CIFI Holdings (Group) Co. Ltd. ("CIFI") (884)	Property development, property investment and property management business	3.08	20,885	1.23
Guangzhou R&F Properties Co., Ltd. (2777)	Development of quality residential and commercial properties for sale in China, also develops hotels, office buildings and shopping malls in Guangzhou, Beijing and other cities	13.76 (Note 4)	44,340 (Note 5)	0.90
Kerry Properties Ltd. (683)	Property development, investment and management, hotel ownership and operations, integrated logistics and international freight forwarding	30.00	43,295	0.52
Logan Property Holdings Co. Ltd. (3380)	Property development, property investment and construction in the PRC	4.64	25,503	1.16
Shenzhen Investment Ltd. (604)	Property development; property investment; property management; manufacture and sale of industrial and commercial products	3.70	28,302	0.86
Shimao Property Holdings Ltd. (813)	Property development, property investment and hotel operation in the PRC	13.26	44,912	0.76
Sino-Ocean Land Holdings Ltd. ("Sino Ocean") (3377)	Real estate development, construction, reparation and decoration, property investment, property management, hotel operation and real estate finance businesses	4.00	30,059	0.60
SOHO China Ltd. (410)	Investment in real estate development, leasing and management	4.32	22,462	0.58
Sunac China Holdings Ltd. (1918)	Property development, property investment and property management services	11.82	45,827	1.74
			<b>Minimum</b>	0.52
			<b>Maximum</b>	1.74
			<b>Average</b>	0.89
The Company (283)	Development and investment of property; operation of hotel and polo club	9.00 (Note 6)	32,158 (Note 7)	2.01 (Note 8) / 1.29 (Note 9)

*Source: the website of the Stock Exchange and the respective interim/annual report of the listed company*

*Notes:*

- (1) *Extracted from the website of the Stock Exchange.*
- (2) *The closing share price and market capitalisation of the Comparable Companies as at the Latest Practicable Date are sourced from the website of Stock Exchange. The market capitalisation of the Comparable Companies is calculated based on their respective closing share prices and number of issued shares as at the Latest*

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*Practicable Date. The latest published consolidated net asset value attributable to equity holders are extracted from the respective latest annual/interim reports/announcements of the Comparable Companies.*

- (3) The P/B Ratios of the Comparable Companies are calculated based on their market capitalisation as at the Latest Practicable Date and their latest published consolidated net asset value attributable to equity holders. For calculating P/B ratios, amounts expressed in RMB have been translated into HK\$ at an exchange rate of RMB1.00 = HK\$1.13, where applicable.*
- (4) Price of H-shares*
- (5) Market capitalisation including both H-Shares, A-shares and domestic shares (where applicable)*
- (6) The Share Offer Price of HK\$9.00 per Offer Share*
- (7) We have taken the Share Offer Price and the issued share capital of the Group of 3,573,129,237 Shares as at the Latest Practicable Date for the purpose of determining the theoretical market capitalisation of the Group.*
- (8) The P/B Ratio of the Group is calculated based on the implied market capitalisation of Group pursuant to the Share Offer Price of HK\$9.00 per Share divided by its latest published unaudited consolidated net asset value attributable to owners of the Company as at 30 September 2016.*
- (9) The Adjusted P/B Ratio of the Group is calculated based on the implied market capitalisation of Group pursuant to the Share Offer Price of HK\$9.00 per Share divided by its Adjusted NAV.*

Based on the above table, the P/B ratio ranged from approximately 0.52 times to 1.74 times and with an average of approximately 0.90 times. The Adjusted P/B ratio of approximately 1.29 times is within range and above average of the P/B Ratios of the Comparable Companies.

We noted that, among the Comparable Companies, the market capitalisation of Sino Ocean, being approximately HK\$30,059 million, was the closest to that of the Company's implied market capitalisation under the Share Offer of approximately HK\$32,158 million. The Adjusted P/B Ratio under the Share Offer of approximately 1.29 times is higher than that of Sino Ocean's P/B ratio of approximately 0.60 times.

In addition, we also analysed the equity attributable to shareholders of the Comparable Companies and noted that the equity attributable to the owners of CIFI, being approximately HK\$16.9 million, was closest to that of the Group's. Based on the table above, the Adjusted P/B ratio of approximately 1.29 times is higher than the P/B ratio of CIFI of approximately 1.23 times. Upon further analysis, we noted that the annual report of CIFI for the year ended 31 December 2016 sets out that CIFI's real estate development business covered four major regions in the PRC (as defined by CIFI), namely, Central Western region, Pan Bohai Rim region (of



which Tianjin formed part), South China region and Yangtze River Delta region. Given the above, in particular, the extent of CIFI's coverage compared to the Group's main focus in Tianjin, the profile of CIFI's real estate business is not considered to be identical to that of the Group's. In view of the above, CIFI is not considered to be more comparable to the Group than other Comparable Companies for analysis purposes. Given the Comparable Companies are selected based on their principal businesses, their respective revenue were also primarily generated in the PRC, market capitalisation compared to the implied market capitalisation of the Company based on Share Offer Price, we are of the view that despite the Comparable Companies' property portfolio are generally more diversified in terms of geographical locations and not as concentrated in Tianjin as the Group's property portfolio, the Comparable Companies are suitable for comparison purposes in assessing the fair and reasonableness of the Share Offer Price as a whole. Based on the foregoing analysis on the Comparable Companies, we are of the view that the Share Offer Price is fair and reasonable.

#### *5.5.3 Conclusion*

In summary, based on our analysis and work performed in respect of (i) the historical share price of the Company and that the closing prices of the Shares during the First Review Period and Second Review Period had always been below the Share Offer Price of HK\$9.0 prior to the Initial Announcement; (ii) the trading volume of the Shares was relatively thin during the First Review Period and the Second Review Period, and the Shares were generally illiquid in the open market; (iii) the stated premium of the Share Offer Price to the unaudited net asset attributable to the Shareholders as at 30 September 2016 of approximately 101.3% is considerably higher than the Average Price to NAV; (iv) the Share Offer Price represents a premium of approximately 28.6% over the Adjusted NAV of HK\$7.0 as set out under the section headed "5.4 Assets, valuation and adjusted net asset value" in this letter; and (v) comparison with privatisation precedents and comparable companies, under this section, we are of the view that the Share Offer Price and the possible privatisation of the Company by the Offeror is fair and reasonable.

## **6. Analysis on Option Offer Price**

On behalf of the Offeror, Optima Capital is making the Option Offer for the cancellation of every vested and unvested Option in accordance with Rule 13 of the Takeovers Code. The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Under the Option Offer, the Offeror is offering the Option Holders the Option Offer Price in cash for cancellation of each Option that they hold.

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The Option Offer Price represents the difference between the Share Offer Price (i.e. HK\$9.00 per Offer Share) and the exercise price of the relevant Option. Depending on the exercise price of each relevant Option, the Option Offer Price ranges from HK\$2.4991 to HK\$6.31 per Option. The consideration for the cancellation of each Option is the see-through price based on the Share Offer Price. On this basis, we consider the Option Offer Price to be fair and reasonable.

As at the Latest Practicable Date, there were (i) 3,573,129,237 Shares in issue, of which 1,271,492,239 Shares were held by the Qualifying Shareholders; and (ii) 51,381,475 outstanding Options granted under the Share Option Schemes, entitling the Option Holders to subscribe for an aggregate of 51,381,475 Shares at an exercise price ranging from HK\$2.69 to HK\$6.5009 per Option. Pursuant to the Directors Undertakings, each of Mr. Ting, Mr. Zhou and Mr. Li, all being executive Directors, has undertaken to the Offeror not to exercise their outstanding Options amounting to an aggregate number of 12,430,906 Options from the date of the Directors Undertakings until the close of the Offers.

If all of the outstanding Options (other than the Directors Options) are exercised in full by the Option Holders prior to the close of the Offers, the Company will have to issue 38,950,569 new Shares, representing approximately 1.08% of the enlarged issued Shares.

### RECOMMENDATION

Having considered the factors and reasons set out in this letter, in particular,

- (i) the uncertainties around the macro-economy and the PRC's commercial and residential property sector as set out under section headed "2. Overview of macro-economy and the PRC's commercial and residential property sector";
- (ii) the Share Offer Price represents a premium to the closing price of the Shares for the entire First Review Period and Second Review Period;
- (iii) the average daily trading volume of the Shares has been thin in general during the First Review Period and the Second Review Period, and the Qualifying Shareholders may find it difficult to dispose of a significant number of Shares in the open market without causing an adverse impact on the market price level of the Shares. The Share Offer, therefore, represents an opportunity for the Qualifying Shareholders to dispose of their entire holdings at the Share Offer Price of HK\$9.00 each;
- (iv) the analysis performed and comparisons against the Privatisation Precedents as set out under section headed "5.5.1 Comparison with privatisation precedents";
- (v) the Adjusted P/B ratio of approximately 1.29 times is higher than the average P/B ratio of the Comparable Companies; and

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- (vi) the consideration for the cancellation of each Option will be the see-through price based on the Share Offer Price,

we consider the terms of the Offers to be fair and reasonable so far as the Qualifying Shareholders and the Option Holders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Qualifying Shareholders and Option Holders to accept the Offers.

**The Qualifying Shareholders and Option Holders, in particular those who intend to accept the Offers, are reminded to note the recent fluctuation in the price of the Shares. There is no guarantee that the current market price of the Shares will or will not sustain and will or will not be higher than the Share Offer Price during and after the period for the acceptance of the Offers. The Qualifying Shareholders and Option Holders who intend to accept the Offers are reminded to closely monitor the market price and the liquidity of the Shares during the period for the acceptance of the Offers and shall, having regard to their own circumstances and investment objectives, consider selling their Shares in the open market, instead of accepting the Offers, if the net proceeds from the sale of such Shares would be higher than that receivable under the Offers. They should also note that the Offers is conditional upon the Conditions being satisfied or waived, including the Offeror having received valid acceptances of the Offer Shares which would result in the Offeror holding at least 90% of the Offer Shares with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested Shares. Accordingly, the Offers may or may not become unconditional.**

However, as set out in the Letter from Optima Capital, if the Offeror acquires not less than 90% of the Offer Shares and not less than 90% of the Disinterested Shares within the Compulsory Acquisition Entitlement Period, it intends to exercise the right under the Companies Ordinance and pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not acquired by the Offeror under the Share Offer. On completion of the compulsory acquisition process (if the compulsory acquisition right is exercised), the Company will be beneficially and ultimately owned as to 100% by Mr. Pan and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

The Qualifying Shareholders and Option Holders should read carefully the procedures for accepting the Offers as detailed in the Composite Document, the appendices to the Composite Document and the form of acceptance, if they wish to accept the Offers.

Yours faithfully  
For and on behalf of  
**Investec Capital Asia Limited**  
**Alexander Tai**  
*Managing Director*  
*Head of Corporate Finance*

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*Mr. Alexander Tai of Investec Capital Asia Limited is a responsible officer of Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. He has been active in the field of corporate finance advisory for over 20 years, and has been involved in and completed various corporate finance advisory transactions.*

*\* for identification purposes only*

## 1. PROCEDURES FOR ACCEPTANCE

To accept any of the Offers, you should duly complete and sign the relevant accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the relevant Offer.

### 1.1 The Share Offer

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in your name, and you wish to accept the Share Offer in respect of your Offer Shares (whether in full or in part), you must deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer, by post or by hand, to the Registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "Goldin Properties Holdings Limited — Share Offer" on the envelope so as to reach the Registrar as soon as possible but in any event by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your Offer Shares (whether in full or in part), you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the **WHITE** Form of Share Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares to the Registrar; or
  - (ii) arrange for the Offer Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the

relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer to the Registrar; or

- (iii) if your Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (iv) if your Offer Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or the CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged a transfer of any of your Offer Shares for registration in your name or if you have exercised your Options and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of those Offer Shares, you should nevertheless duly complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s), if any, duly signed by yourself and/or other document(s) of title or entitlement in respect of the Options (as the case may be). Such action will constitute an irrevocable authority to the Offeror and/or Optima Capital and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of any of your Offer Shares, the **WHITE** Form of Share Offer Acceptance should nevertheless be duly completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other

document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares, you should also write to the Registrar for a form of letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar.

- (e) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed **WHITE** Form of Share Offer Acceptance is received by the Registrar on or before the latest time for acceptance of the Share Offer and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
  - (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer and, if that/those share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other document(s) (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Offer Shares; or
  - (ii) from a registered Qualifying Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Offer Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
  - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Qualifying Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

- (g) Seller's ad valorem stamp duty payable by the Qualifying Shareholders who accept the Share Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is the higher (rounded up to the nearest of HK\$1.00), will be deducted from the amount payable by the Offeror to the relevant Qualifying Shareholders on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Qualifying Shareholders who accept the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.
- (h) If the Share Offer is invalid, withdrawn or lapses, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post at your own risk the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Offer Shares tendered for acceptance together with the duly cancelled **WHITE** Form of Share Offer Acceptance to the relevant Qualifying Shareholder(s).
- (i) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares tendered for acceptance will be given.

## 1.2 The Option Offer

- (a) If you are an Option Holder and you wish to accept the Option Offer in respect of your Options, you must deliver the duly completed and signed **PINK** Form of Option Offer Acceptance together with the relevant certificate(s), document(s) of title or entitlement in respect of the Options and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) for your holding of the Options or if applicable, for not less than the number of the Options in respect of which you intend to accept the Option Offer, by post or by hand, to the company secretary of the Company at 25/F, Goldin Financial Global Centre, 17 Kai Cheung Road, Kowloon Bay, Hong Kong marked "Goldin Properties Holdings Limited — Option Offer" on the envelope so as to reach the company secretary of the Company as soon as possible but in any event by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.



- (b) If the **PINK** Form of Option Offer Acceptance is executed by a person other than the registered Option Holder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the company secretary of the Company must be produced.
- (c) No stamp duty will be deducted from the amount paid or payable to the Option Holder(s) who accept(s) the Option Offer.
- (d) If the Option Offer is invalid, withdrawn or lapses, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return to you the relevant certificate(s), document(s) of title or entitlement in respect of the Options, and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) together with the duly cancelled **PINK** Form of Option Offer Acceptance by ordinary post at your own risks.
- (e) No acknowledgement of receipt of any **PINK** Form of Option Offer Acceptance and/or the relevant certificate(s), document(s) of title or entitlement in respect of your Options and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

## **2. SETTLEMENT UNDER THE OFFERS**

### **2.1 The Share Offer**

Subject to the Offers becoming or being declared unconditional in all respects and provided that a duly completed **WHITE** Form of Share Offer Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Offer Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar before the close of the Share Offer, a cheque for the amount due to each of the Qualifying Shareholders who accepts the Share Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him under the Share Offer will be despatched to such Qualifying Shareholder by ordinary post at his own risk as soon as possible but in any event within seven (7) Business Days following the later of (i) the date on which the Offers become or are declared unconditional in all respects; and (ii) the date of receipt of a duly completed **WHITE** Form of Share Offer Acceptance together with all of the relevant document(s) by the Registrar to render such acceptance under the Share Offer valid.

Settlement of the consideration to which any Qualifying Shareholder is entitled to under the Share Offer will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty) without regard to any lien, right of setoff, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Qualifying Shareholder.

No fraction of a cent will be payable and the amount of cash consideration payable to a Qualifying Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

## **2.2 The Option Offer**

Subject to the Offers becoming or being declared unconditional in all respects and provided that a duly completed and signed **PINK** Form of Option Offer Acceptance and the relevant certificate(s), document(s) of title or entitlement in respect of the Options and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the company secretary of the Company before the close of the Option Offer, a cheque for the amount due to each of the Option Holders who accepts the Option Offer in respect of the Options surrendered by him in acceptance of the Option Offer will be posted by ordinary post to the Option Holders who accept the Option Offer at their own risk within seven (7) Business Days following the later of (i) the date on which the Offers become or are declared unconditional in all respects; and (ii) the date of receipt of a duly completed **PINK** Form of Option Offer Acceptance together with all the relevant document(s) by the company secretary of the Company to render such acceptance, surrender and cancellation under the Option Offer valid.

Settlement of the consideration to which any Option Holder is entitled to under the Option Offer will be implemented in full in accordance with its terms, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Option Holder.

No fraction of a cent will be payable and the amount of cash consideration payable to an Option Holder who accepts the Option Offer will be rounded up to the nearest cent.

## **3. ACCEPTANCE PERIOD AND REVISIONS**

Unless the Offers are revised or extended with the consent of the Executive in accordance with the Takeovers Code, to be valid, the **WHITE** Form of Share Offer Acceptance must be received by the Registrar and the **PINK** Form of Option Offer Acceptance must be received by the company secretary of the Company, in each case, in accordance with the instructions printed thereon and in this Composite Document by 4:00 p.m. on the Closing Date.

If the Offers are revised or extended, the Offeror will issue an announcement in relation to any revision or extension of the Offers, which announcement will state either the next Closing Date or, a statement that the Offers will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given, before the Offers are closed, to those Qualifying Shareholders and Option Holders who have not accepted the relevant Offers. If, in the course of the Offers, the Offeror revises the terms of the Offers, all the Qualifying Shareholders and the Option Holders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms. A revised offer must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted.

If the Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date.

In accordance with the Takeovers Code, except with the consent of the Executive, the Share Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day this Composite Document is posted. Accordingly, unless the Share Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the Offers will lapse at 7:00 p.m. on Monday, 19 June 2017, which is the next Business Day after the 60th day after this Composite Document is posted (Sunday, 18 June 2017), in accordance with Note 3 to the Definitions section of the Takeovers Code.

#### **4. NOMINEE REGISTRATION**

To ensure equality of treatment of all the Qualifying Shareholders, those Qualifying Shareholders who hold Offer Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

#### **5. ANNOUNCEMENTS**

By 6:00 p.m. on the Closing Date (or such later time(s) and/or date(s) as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offers. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers have been revised, extended, expired or have become or been declared unconditional (whether as to acceptances or in all respects). The announcement will state the following:

- (a) the total number of Offer Shares and rights over Shares (including the Options) for which acceptances of the Offers have been received;

- (b) the total number of Offer Shares and rights over Shares (including the Options) held, controlled or directed by the Offeror and the Offeror Concert Parties before the Offer Period;
- (c) the total number of Offer Shares and rights over Shares (including the Options) acquired or agreed to be acquired during the Offer Period by the Offeror and the Offeror Concert Parties; and
- (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and any of the Offeror Concert Parties have borrowed or lent, save for any borrowed Offer Shares which have been either on-lent or sold.

The announcement will specify the percentages of the relevant classes of issued share capital, and the percentages of voting rights, represented by these numbers of Offer Shares.

In computing the total number of Offer Shares and Options represented by acceptances, only valid acceptances that are complete, in good order and fulfil the conditions set out in this Appendix I, and which have been received by the Registrar or the company secretary of the Company (as the case may be) by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offers will be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

## **6. RIGHT OF WITHDRAWAL**

The Share Offer is conditional upon the fulfilment of the Conditions set out in the letter from Optima Capital in this Composite Document and the Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Acceptances of the Offers tendered by the Qualifying Shareholders and the Option Holders, respectively, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in this paragraph and the paragraph below. Note that Rule 17 of the Takeovers Code provides that an acceptor of any of the Offers shall be entitled to withdraw his acceptance after twenty-one (21) days from the first Closing Date (being Wednesday, 10 May 2017) if the Share Offer has not by then become unconditional as to acceptances and up to the earlier of such time as the Share Offer becomes or is declared unconditional as to acceptances and 4:00 p.m. on the 60th day from the date of despatch of this Composite Document (being Monday, 19 June 2017, the next Business Day after the 60th day (or the date beyond which the Offeror has stated that the Offers will not be extended, if applicable)).

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with the requirements set out in the section headed “Announcements” above, the Executive may require that the holders of Offer Shares and Options who have tendered acceptances to the relevant Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that section are met.

**7. HONG KONG STAMP DUTY**

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher (rounded up to the nearest HK\$1.00), will be deducted from the amount payable to the relevant Qualifying Shareholder on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the accepting Qualifying Shareholders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptances of the Option Offer and the cancellation of the Options.

**8. GENERAL**

- (a) All communications, notices, Form(s) of Acceptance, the relevant share certificate(s), transfer receipt(s), document(s) of title or entitlement in respect of the Options and/or documentary evidence of authority (and/or any satisfactory indemnity or indemnities required in respect thereof) if delivered by or sent to or from the Qualifying Shareholders or the Option Holders or their designated agents by post, shall be posted at their own risk, and none of the Offeror, the Company, Optima Capital, Goldin Financial, and any of their respective directors, the Registrar and other parties involved in the Offers and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form(s) of Acceptance form part of the terms and conditions of the Offers.
- (c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form(s) of Acceptance will constitute an authority to the Offeror, Optima Capital or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Offer Shares and/or cancelling the Options in respect of which such person or persons has/have accepted the Offers.

- (f) Subject to the Offers becoming or being declared unconditional in all respects, acceptance of the Offers by any person will be deemed to constitute a representation and warranty by such person or persons to:
- (i) the Offeror, the Company and Optima Capital, that the Offer Shares sold by such person or persons to the Offeror are free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and any other third party rights of any nature and together with all rights attached to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date; and
  - (ii) the Offeror, the Company and their respective advisers, including Optima Capital, being the financial adviser to the Offeror in respect of the Offers, that if such Qualifying Shareholder/Option Holder accepting the Share Offer/Option Offer is a citizen, resident or national of a jurisdiction outside Hong Kong, he/she has observed and is permitted under all applicable laws and regulations to which such overseas Qualifying Shareholder/Option Holder is subject to receive and accept the Share Offer/Option Offer and any revision thereof, and that he/she has obtained all requisite governmental, exchange control or other consents and made all registrations or filings required in compliance with all necessary formalities and regulatory or legal requirements, and has paid all issue, transfer or other taxes or other required payments payable by him/her in connection with such acceptance, surrender and/or cancellation in any jurisdiction, and that he/she has not taken or omitted to take any action which will or may result in the Offeror, the Company or their respective advisers, including Optima Capital, the financial adviser to the Offeror, or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offers or his/her acceptance thereof and such acceptance, surrender and/or cancellation shall be valid and binding in accordance with all applicable laws and regulations.
- (g) Under the terms of the Share Offer, the Offer Shares will be acquired with all rights attached thereto as at the Closing Date or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the Closing Date and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and any other third party rights.
- (h) Subject to the Share Offer becoming or being declared unconditional in all respects, the acceptance of the Option Offer by an Option Holder will result in the cancellation of those relevant Option, together with all rights attaching thereto.
- (i) Reference to any of the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.

- (j) In making their decisions with regard to the Offers, the Qualifying Shareholders and the Option Holders should rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form(s) of Acceptance shall not be construed as any legal or business advice on the part of the Company, the Offeror and/or Optima Capital. The Qualifying Shareholders and the Option Holders should consult their own professional advisers for professional advice.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the audited financial results of the Group for each of three years ended 31 March 2016 as extracted from the respective audited consolidated financial statements of the Group as set forth in the annual reports for the three years ended 31 March 2016 and the unaudited financial results of the Group for the six months ended 30 September 2016 as extracted from the published interim report of the Company for the six months ended 30 September 2016.

Deloitte Touche Tohmatsu, the auditor of the Company, did not issue any qualified opinion on the financial statements of the Group for any of the three years ended 31 March 2016. There are no exceptional items because of size, nature or incidence of the Group for each of the three years ended 31 March 2016.

	<b>For the six months ended 30 September 2016</b>	<b>For the year ended 31 March</b>		
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
<b>Turnover</b>	43,188	1,190,235	569,350	2,793,413
<b>Profit before tax</b>	579,581	553,124	1,056,776	1,401,327
<b>Income tax expense</b>	(187,847)	(6,499)	(401,910)	(545,739)
<b>Profit for the period/year attributable to owners of the Company</b>	391,734	546,625	654,866	855,588
<b>Profit attributable to minority interests (Note 1)</b>	N/A	N/A	N/A	N/A
<b>Basic earnings per share (HK cents)</b>	10.96	15.31	18.36	23.99
<b>Diluted earnings per share (HK cents)</b>	10.84	14.93	18.14	22.86
<b>Dividend per share</b>	—	—	—	—

*Note:*

- (1) The Company did not have minority interests for each of the three years ended 31 March 2016 and the six months ended 30 September 2016.



## 2. (A) AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2016

Set out below is financial information of the Group as extracted from the published audited financial statements of the Group for the year ended 31 March 2016.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2016*

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
Revenue	7	1,190,235	569,350
Cost of sales		<u>(623,798)</u>	<u>(178,556)</u>
Gross profit		566,437	390,794
Other income	9	24,853	629
Marketing costs		(30,134)	(76,487)
Hotel and polo club other operating expenses		(216,344)	(252,684)
Administrative expenses		(259,553)	(291,602)
Foreign exchange losses, net		(4,157)	(12,361)
Finance costs	11	(14,659)	(20,962)
Increase in fair value of investment properties	18	486,681	679,155
Fair value gain upon transfer to investment properties	18	<u>—</u>	<u>640,294</u>
Profit before tax	12	553,124	1,056,776
Income tax expense	13	<u>(6,499)</u>	<u>(401,910)</u>
Profit for the year attributable to owners of the Company		<u>546,625</u>	<u>654,866</u>
<b>Other comprehensive (expense) income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation and total other comprehensive (expense) income for the year		<u>(938,964)</u>	<u>16,718</u>
Total comprehensive (expense) income for the year attributable to owners of the Company		<u>(392,339)</u>	<u>671,584</u>
<b>Earnings per share</b>	15		
— basic		<u>15.31 HK cents</u>	<u>18.36 HK cents</u>
— diluted		<u>14.93 HK cents</u>	<u>18.14 HK cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	<i>Notes</i>	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	16	2,282,484	2,458,285
Ponies	17	29,393	42,650
Investment properties	18	22,866,713	21,027,933
Prepaid lease payments	19	222,868	238,973
Intangible assets	20	90	90
Deposits paid for acquisition of property, plant and equipment and ponies	21	<u>17,353</u>	<u>17,441</u>
		<u>25,418,901</u>	<u>23,785,372</u>
Current assets			
Inventories	22	56,417	67,918
Properties for sale	23	8,991,019	9,516,883
Prepaid lease payments	19	6,127	6,394
Trade and other receivables, prepayments and deposits	24	975,029	255,271
Amount due from a related company	27	1,498	1,716
Cash and cash equivalents	25	<u>354,733</u>	<u>15,318</u>
		<u>10,384,823</u>	<u>9,863,500</u>
Current liabilities			
Trade and construction cost payables	26	7,769,691	6,183,075
Other payables and accruals	26	913,326	884,894
Amounts due to related companies	27	72,616	63,288
Tax payable		615,576	463,525
Bank borrowing	28	53,906	56,255
Obligations under finance leases — amount due within one year	29	<u>95</u>	<u>87</u>
		<u>9,425,210</u>	<u>7,651,124</u>
Net current assets		<u>959,613</u>	<u>2,212,376</u>
Total assets less current liabilities		<u>26,378,514</u>	<u>25,997,748</u>

		<b>2016</b>	<b>2015</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Bank borrowing	28	121,287	182,827
Obligations under finance leases			
— amount due after one year	29	68	163
Loan from a related company	30	8,508,114	7,473,247
Deferred tax liabilities	31	<u>1,414,937</u>	<u>1,651,510</u>
		<u>10,044,406</u>	<u>9,307,747</u>
		<u>16,334,108</u>	<u>16,690,001</u>
Capital and reserves			
Share capital	32	10,949,655	10,925,483
Reserves	33	<u>5,384,453</u>	<u>5,764,518</u>
Total equity		<u>16,334,108</u>	<u>16,690,001</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2016

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share-based compensation reserve HK\$'000	Translation reserve HK\$'000	Equity participant reserve HK\$'000	Retained profits HK\$'000	
At 1 April 2014	10,923,728	191,561	929,436	15,942	3,904,454	15,965,121
Profit for the year	—	—	—	—	654,866	654,866
Exchange difference arising on translation	—	—	16,718	—	—	16,718
Total comprehensive income for the year	—	—	16,718	—	654,866	671,584
Recognition of equity-settled share-based payments	—	52,175	—	—	—	52,175
Exercise of share options	1,755	(634)	—	—	—	1,121
Lapse of share options	—	(3,575)	—	—	3,575	—
At 31 March 2015	10,925,483	239,527	946,154	15,942	4,562,895	16,690,001
Profit for the year	—	—	—	—	546,625	546,625
Exchange difference arising on translation	—	—	(938,964)	—	—	(938,964)
Total comprehensive (expense) income for the year	—	—	(938,964)	—	546,625	(392,339)
Recognition of equity-settled share-based payments	—	21,324	—	—	—	21,324
Exercise of share options	24,172	(9,050)	—	—	—	15,122
Lapse of share options	—	(2,744)	—	—	2,744	—
<b>At 31 March 2016</b>	<b>10,949,655</b>	<b>249,057</b>	<b>7,190</b>	<b>15,942</b>	<b>5,112,264</b>	<b>16,334,108</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS***For the year ended 31 March 2016*

	<b>2016</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating activities		
Profit before tax	553,124	1,056,776
Adjustments for:		
Increase in fair value of investment properties	(486,681)	(679,155)
Fair value gain upon transfer to investment properties	—	(640,294)
Depreciation of property, plant and equipment	98,415	104,871
Depreciation of ponies	9,389	9,253
Finance costs	14,659	20,962
Interest income on bank deposits	(60)	(443)
Loss on disposal of property, plant and equipment	28	281
Ponies written off	2,384	883
Amortisation of prepaid lease payments	6,220	6,394
Share-based payments expenses	21,324	52,175
Unrealised exchange difference	(147)	54
Operating cash flows before movements in working capital	218,655	(68,243)
Decrease in inventories	9,289	7,714
Decrease (increase) in properties for sale	340,203	(1,653,212)
Increase in trade and other receivables, prepayments and deposits	(729,591)	(97,759)
Decrease (increase) in amount due from a related company	218	(1,716)
Increase (decrease) in trade and construction cost payables, other payables and accruals	1,684,831	(390,891)
Increase in amounts due to related companies	194	425
Cash from (used in) operation	1,523,799	(2,203,682)
Tax paid	(567)	(5,820)
Net cash from (used in) operating activities	<u>1,523,232</u>	<u>(2,209,502)</u>
Investing activities		
Acquisition of property, plant and equipment	(9,403)	(75,434)
Acquisition of ponies	—	(11,814)
Deposits paid for acquisition of property, plant and equipment and ponies	—	(12,362)
Construction costs paid in respect of investment properties under construction	(1,524,119)	(1,076,794)
Interest received on bank deposits	60	443
Net cash used in investing activities	<u>(1,533,462)</u>	<u>(1,175,961)</u>

	<b>2016</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financing activities		
Interest and finance charges paid	(14,659)	(20,962)
Repayments of obligations under finance leases	(87)	(80)
Repayment of bank loans	(54,729)	(56,255)
Proceeds from issue of shares upon exercise of share options	15,122	1,121
Loan advanced from a related company	566,444	4,608,227
Repayment of loan advanced from a related company	<u>(154,095)</u>	<u>(2,583,409)</u>
Net cash from financing activities	<u>357,996</u>	<u>1,948,642</u>
Net increase (decrease) in cash and cash equivalents	347,766	(1,436,821)
Cash and cash equivalents at the beginning of the year	15,318	1,453,579
Effect of foreign exchange rate changes	<u>(8,351)</u>	<u>(1,440)</u>
Cash and cash equivalents at the end of the year	<u><u>354,733</u></u>	<u><u>15,318</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***For the year ended 31 March 2016***1. GENERAL**

The Company is a public limited company incorporated in Hong Kong and its shares are listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent is Goldin Group (Investment) Limited (“**Goldin Group (Investment)**”), a private limited company incorporated in the British Virgin Islands, and its ultimate parent is Goldin Real Estate Financial Holdings Limited (“**Goldin Real Estate Financial**”), a private limited company incorporated in the British Virgin Islands, which is ultimately owned by Mr. Pan Sutong (“**Mr. Pan**”), a Director and Chairman of the Company, who has controlling interest in the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” included in the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is different from the functional currency of the Company, Renminbi (“**RMB**”), as the Company is a public company incorporated in Hong Kong with its shares listed on the Stock Exchange, where most of its investors are located and therefore, the Directors consider that Hong Kong dollars is preferable in presenting the operating results and financial position of the Group. The majority of the Company’s subsidiaries are operating in the People’s Republic of China (“**PRC**”) with RMB as their functional currency.

The Company is an investment holding company. The activities of its principal subsidiaries at 31 March 2016 are set out in note 39.

**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”)**

In the current year, the Group has applied the following amendments to HKFRSs and a Hong Kong Accounting Standard (“**HKAS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”):

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the above amendments to HKFRSs and HKAS in the current year has had no material effect on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in the Group’s consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
HKFRS 16	Leases <sup>3</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKFRS 15	Clarification to HKFRS 15 “Revenue from Contracts with Customers” <sup>2</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>1</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle <sup>1</sup>

<sup>1</sup> Effective for accounting periods beginning on or after 1 January 2016, with earlier application permitted.

<sup>2</sup> Effective for accounting periods beginning on or after 1 January 2018, with earlier application permitted.

<sup>3</sup> Effective for accounting periods beginning on or after 1 January 2019, with earlier application permitted provided that HKFRS 15 is also applied.

<sup>4</sup> Effective date to be determined.



**HKFRS 9 Financial Instruments**

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors of the Company anticipate that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities based on the analysis of the Group's financial instruments as at 31 March 2016.

**HKFRS 15 Revenue from Contracts with Customers**

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

**HKFRS 16 Leases**

In May 2016, HKFRS 16 was issued which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessees and lessors. HKFRS 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. Under HKFRS 16, significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). In contrast, HKFRS 16 does not include significant changes to the requirements for accounting by lessors. HKFRS 16 will supersede HKAS 17 *Leases* and its related interpretations including HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases-Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* when it becomes effective.

HKFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for the rights and obligations created by all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying HKAS 7 *Statement of Cash Flows*. Assets and liabilities arising from a

lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

In addition, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Furthermore, HKFRS 16 also requires both lessor and lessee to provide enhanced disclosures in their financial statements in order to give a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessor and lessee.

The Directors of the Company anticipate that the application of HKFRS 16 in the future may have a certain impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of effect of HKFRS 16 until the Group performs a detailed review.

#### **Annual Improvements to HKFRSs 2012–2014 Cycle**

The *Annual Improvements to HKFRSs 2012–2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa).

The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The Directors of the Company do not anticipate that the application of these amendments will have a material effect on the amounts recognised in the Group's consolidated financial statements.

The Directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### **Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payments arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e., the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

#### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received and receivable from sales of properties and services rendered in the normal course of business, net of discounts and sales related taxes.

#### ***Sales of properties***

Revenue from the sale of properties in the ordinary course of business is recognised when all the following criteria are satisfied:

- the significant risks and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In view of the above criteria, the revenue recognition from the sale of properties in the ordinary course of business is taken place at the time when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

#### ***Hotel operation***

Revenue from hotel accommodation, food and beverage sales and other ancillary services in the hotel are recognised when the relevant services have been rendered.

#### ***Polo club operation***

Advertising, VIP Box and ticketing income from polo tournaments are recognised when the polo events are held.

Revenue from the sale of polo club membership is recognised on the straight-line basis over the expected life of the membership.

#### ***Project management fee***

Project management fee is recognised when service is rendered.

***Interest income***

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Properties under construction or development for future use as investment properties are classified as investment properties under construction.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

**Property, plant and equipment**

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Ponies**

Ponies held for provision of polo club related service are stated at cost less subsequent accumulated depreciation and subsequent impairment losses, if any.

Depreciation is recognised so as to write off the cost of ponies less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Ponies are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of ponies. Any gain or loss arising on the disposal or retirement of ponies is determined as the difference between the sales proceeds and the carrying amount of ponies and is recognised in profit or loss.

#### **Prepaid lease payments**

The cost of acquiring land under an operating lease is amortised on a straight-line basis over the period of the lease term except where the properties are classified and accounted for as investment properties under the fair value model, other assets and properties for sale.

#### **Intangible assets**

##### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Gains or losses arising from derecognition of intangible assets are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

#### **Properties for sale**

Completed properties for sale and properties under development for sale which are intended to be held for sale in the ordinary course of business are carried at the lower of cost and net realisable value and are shown as current assets. Cost includes the cost of land, construction cost and other development expenditure and other attributable expenses. Upon completion, the properties under development for sale are transferred to completed properties for sale.

Net realisable value represents the estimated selling price for properties for sale less all estimated costs of completion and costs necessary to make the sale.

#### **Impairment losses on tangible and intangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.



Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### **Financial instruments**

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset/liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income/expense is recognised on an effective interest basis.

### ***Financial assets***

The Group's financial assets are classified into loans and receivables.

### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and deposits, amount due from a related company and cash and cash equivalents) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

*Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for the financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and amount due from a related company where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable and amount due from a related company are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

*Financial liabilities and equity instruments*

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities*

Financial liabilities (including trade and construction cost payables, other payables, amounts due to related companies, bank borrowing and loan from a related company) are subsequently measured at amortised cost, using the effective interest method.

***Derecognition***

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e., the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e., Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

**Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

***The Group as lessee***

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which

case they are capitalised in accordance with the Group's general policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

#### ***Leasehold land and building***

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model and properties under development for sale. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

#### **Retirement benefits costs**

Payments to defined contribution retirement benefit plans, state-managed pension schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

#### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income/a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e., based on the expected manner as to how the properties will be recovered).

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for a business combination.

**Share-based payment transactions***Share options granted to Directors of the Company and employees and others providing similar services*

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share-based compensation reserve) or recognised as an expense in full at the grant date when the share option granted vest immediately.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based compensation reserve.

Upon the exercise of the share options, the amount previously recognised in share-based compensation reserve will be transferred to share capital. When the share options are forfeited subsequent to vesting or are still not exercised at the expiry date, the amount previously recognised in share-based compensation reserve will be transferred to retained profits.

**4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Group's accounting policies, which are described in note 3, the Directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgement in applying accounting policies**

The following is the critical judgement, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

*Deferred tax on investment properties*

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the Directors of the Company concluded that the Group's investment properties associated with the proposed disposal of a subsidiary (the "Properties" as defined in note 40) are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the Properties over time. However, for the remaining investment properties other than the Properties held by the Group, the Directors of the Company concluded that such investment properties are remained to be held for leasing purpose to earn rentals after completion and under a business model whose objective is to consume substantially all of the economic benefits embodied in those investment properties over time, rather than through sale.

Therefore, in measuring the Group's deferred tax on investment properties, the Group has determined that the presumption that the carrying amount of the Properties measured using the fair value model is recovered entirely through sale is not rebutted and for the remaining investment properties other than the Properties, the presumption that the carrying amount of such investment properties measured using the fair value model is recovered entirely through sale is rebutted.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

*Fair value measurements and valuation processes*

Some of the Group's assets are measured at fair value for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuers to perform the valuation. The management of the Group works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model. The findings are reported to the Directors every half year to explain the cause of fluctuations in the fair value of the assets.

Note 18 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets.

*Fair value of investment properties*

The Group's investment properties are stated at fair values based on the valuation performed by independent professional valuer. The valuation of the Group's investment properties under construction is determined with reference to the fair value of the bare land plus construction costs incurred. The fair value of the bare land has been arrived at by adopting the comparison approach and making reference to the market transactions as available in the markets, with adjustments made to account for various factors including geographical location of the properties, availability of transportation system and public facilities and the estimated development period of the Group's investment properties under construction. The valuer has also determined on the basis that the Group's investment properties under construction will be developed and completed in accordance with the latest development proposals and taken into account the construction costs that will be expended to complete the development as well as developer's profit margin to reflect the quality of the completed development. In determining the fair value, the valuer has based on the method of valuation which involves certain estimates of market conditions. In relying on the valuation report of the independent professional valuer, the management has exercised its judgement and is satisfied that the method of valuation and the assumptions used in the valuation are reflective of the market conditions prevailing at the end of each reporting period. Any changes in the market conditions which may change the method of valuation and the assumptions used in the valuation will affect the fair values of the investment properties of the Group. The fair values of investment properties at 31 March 2016 was HK\$22,866,713,000 (2015: HK\$21,027,933,000).

*Income taxes*

No deferred tax asset has been recognised in respect of tax losses of HK\$2,057,272,000 (2015: HK\$1,690,728,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In case where the actual future profits generated are more than expected, additional recognition of deferred tax assets may arise, which should be recognised in profit or loss for the period in which it takes place.

*Estimate of the PRC Land Appreciation Tax*

The PRC Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible allowance and expenditures including sales charges, borrowing costs and all property development expenditures.

The Group is subject to Land Appreciation Tax in the PRC. The details of implementation have been announced by local tax bureaux in Tianjin in the PRC. The Group has not yet reached the stage to finalise its Land Appreciation Tax calculation and payments with local tax bureaux in Tianjin in accordance with the relevant local tax regulations. Accordingly, significant judgements are required in determining the amount of land appreciation and its related taxes. The Group recognises these liabilities based on the management's best estimates according to the understanding of the tax rules. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

*Recognition and allocation of construction costs on properties under development*

Development costs of properties are recorded as properties under development for sale during the construction stage and will be transferred to completed properties for sale and charged to the consolidated statement of profit or loss and other comprehensive income upon the recognition of the sales of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate. During the development stage, the Group typically divides the development projects into phases. Costs that are common to different phases are allocated to individual phases based on saleable area/gross floor area. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years.

*Impairment of property, plant and equipment*

The Group assesses regularly whether property, plant and equipment have any indication of impairment in accordance with its accounting policy. The Group determines the recoverable amount of property, plant and equipment on the higher of value in use and fair value less cost to sell. During the year, the Directors conducted a review of the Group's hotel and polo club properties and determined that those assets were not impaired after the consideration of the expectations on the market development and business growth of the hotel and polo club after the completion of the whole project, including residential and commercial properties in the same area being developed by the Group. Accordingly, no impairment loss was required to be recognised in respect of the Group's hotel and polo club properties for the year. The carrying amount of the Group's hotel and polo club properties at the end of the reporting period was approximately HK\$2,190,523,000 (2015: HK\$2,332,922,000).

*Determination of net realisable value of properties under development for sale and completed properties for sale*

Properties under development for sale and completed properties for sale are stated at the lower of cost and net realisable value with an aggregate carrying amount of approximately HK\$8,991,019,000 (2015: HK\$9,516,883,000). Cost including the cost of land, construction cost and other development expenditure and other attributable expenses, are allocated to each unit in each phase based on saleable area/gross floor area. The net realisable value is the estimated selling price less estimated selling expenses and estimated cost of completion (if any), which are determined based on the best available information. Where there is any decrease in the estimated selling price arising from any changes to the property market condition in the PRC, there may be write-down on the properties under development for sale and completed properties for sale.



## 5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of total equity, comprising issued share capital, reserves and retained profits, as disclosed in notes 32 and 33 and consolidated statement of changes in equity, respectively.

The Directors of the Company review the capital structure periodically. As part of this review, the Directors of the Company prepare the annual budget taking into account of the provision of funding. Based on the proposed annual budget, the Directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debt, if necessary.

## 6. FINANCIAL INSTRUMENTS

The Group's major financial instruments include trade and other receivables and deposits, amount due from a related company, cash and cash equivalents, trade and construction cost payables, other payables, amounts due to related companies, bank borrowing and loan from a related company. The risks associated with these financial instruments include market risk (interest rate risk and foreign currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's exposure to these kinds of risks or the manner in which it manages and measures.

### (a) Categories of financial instruments

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Financial assets</b>		
Loans and receivables (including cash and cash equivalents)	<u>1,260,559</u>	<u>139,605</u>
<b>Financial liabilities</b>		
Amortised cost	<u>17,327,091</u>	<u>14,743,042</u>

### (b) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate loan from a related company (see note 30 for details of the loan).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowing (see note 28 for details of the borrowing). It is the Group's policy to keep its borrowing at floating rate of interests so as to minimise the fair value interest rate risk.

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

*Sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate bank deposits and for floating-rate bank borrowing at the end of reporting period. The analysis is prepared assuming the amount of assets and liabilities outstanding at the end of the reporting period were outstanding for the whole year. A 10 basis points increase (2015: 10 basis points increase) is used for the management's assessment of the reasonably possible change in interest rates. It is expected that the interest rate will not decrease in the next twelve months from the end of the reporting period.

If interest rates had been 10 basis points higher (2015: 10 basis points higher) and all other variables were held constant, the Group's profit for the year ended 31 March 2016 would increase by HK\$135,000 (2015: decrease by HK\$165,000).

**(c) Foreign currency risk**

Certain other receivables, bank balances, amounts due to related companies, trade and other payables and loan from a related company are denominated in foreign currencies. The Group currently do not have a formal currency hedging policy. However, the management monitors foreign exchange exposure and will further consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective functional currencies of the relevant group entities at the reporting date are as follows:

	Assets		Liabilities	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong dollars ("HKD")	15,373	15,954	3,002	14,424
United States dollars ("USD")	<u>5,770</u>	<u>1,629</u>	<u>8,581,831</u>	<u>7,537,975</u>

*Sensitivity analysis*

The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in the relevant functional currencies against the relevant foreign currencies. 5% (2015: 5%) is the sensitivity rate used for the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2015: 5%) change in foreign currency rates. The sensitivity analysis includes external receivables and payables where the denomination of the receivables and payables is in a currency other than the functional currency of the lender or the borrower.

A positive (negative) number below indicates an increase (a decrease) in profit for the year of the Group where the respective functional currencies strengthen 5% (2015: 5%) against the relevant foreign currencies.

For a 5% (2015: 5%) weakening of respective functional currencies against the relevant foreign currencies, there would be an equal and opposite impact on the profit for the year of the Group.

	<b>Hypothetical increase (decrease)</b>	
	<b>in profit for the year</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
HKD	(533)	(109)
USD	<u>358,037</u>	<u>314,596</u>

In management's opinion, the sensitivity analysis is unrepresentative of the foreign currency risk inherent in the financial assets and financial liabilities as at the year end exposure does not reflect the exposure during the year.

**(d) Credit risk**

As at 31 March 2016 and 31 March 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the management of the Group is responsible for ensuring that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk on liquid funds which are deposited with several banks with high credit rating. At 31 March 2016, the Group has deposited an aggregate of more than 99% (2015: 80%) of its bank balances with two state-owned banks in the PRC. The Directors of the Company believe that these bank balances are fully recoverable after considering the financial position and credit rating of these banks. Moreover, there is no special restriction on withdrawal of the balances from these banks.

At 31 March 2016 and 31 March 2015, the Group's concentration of credit risk on trade and other receivables was mainly in PRC.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings and concentration of credit risk on trade and other receivables which were mainly in PRC, the Group does not have any other significant concentration of credit risk.

**(e) Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manage liquidity risk by maintaining adequate reserves and banking facilities.

The following table details the Group's remaining contractual maturity for its financial liabilities (including trade and construction cost payables, other payables, amounts due to related companies, bank borrowing and loan from a related company) and obligations under finance leases. The table has been drawn up based on the undiscounted cash flows of financial liabilities and obligations under finance leases based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average interest rate	Repayable on					Total undiscounted cash flows HK\$'000	Carrying amount at 31.3.2016 HK\$'000
		demand or	6 months to			2-5 years		
		less than 3 months HK\$'000	3-6 months HK\$'000	1 year HK\$'000	1-2 years HK\$'000			
<b>2016</b>								
Trade and construction cost payables and other payables	—	6,874,535	—	—	—	1,696,633	8,571,168	8,571,168
Amounts due to related companies	—	9,415	63,201	—	—	—	72,616	72,616
Bank borrowing	5.6%	15,999	15,805	30,963	59,687	70,289	192,743	175,193
Obligations under finance leases	4.7%	26	26	53	69	—	174	163
Loan from a related company	8.0%	—	275,989	343,122	9,082,470	—	9,701,581	8,508,114
		<u>6,899,975</u>	<u>355,021</u>	<u>374,138</u>	<u>9,142,226</u>	<u>1,766,922</u>	<u>18,538,282</u>	<u>17,327,254</u>
<b>2015</b>								
Trade and construction cost payables and other payables	—	5,477,576	—	—	—	1,489,849	6,967,425	6,967,425
Amounts due to related companies	—	9,471	53,817	—	—	—	63,288	63,288
Bank borrowing	6.8%	18,209	17,965	35,122	67,390	137,490	276,176	239,082
Obligations under finance leases	4.7%	26	26	53	105	69	279	250
Loan from a related company	8.0%	—	242,420	301,387	7,979,380	—	8,523,187	7,473,247
		<u>5,505,282</u>	<u>314,228</u>	<u>336,562</u>	<u>8,046,875</u>	<u>1,627,408</u>	<u>15,830,355</u>	<u>14,743,292</u>

**(f) Fair values measurement of financial instruments**

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their corresponding fair values.

**7. REVENUE**

Revenue represents revenue arising on sales of properties, hotel operation, polo club operation and project management for the year. An analysis of the Group's revenue for the year is as follows:

	2016 HK\$'000	2015 HK\$'000
Sales of properties	1,123,751	474,788
Advertising, VIP Box and ticketing income from polo tournaments	23,928	71,133
Hotel operation	34,513	17,631
Polo club membership income	4,984	3,175
Project management fee	<u>3,059</u>	<u>2,623</u>
	<u>1,190,235</u>	<u>569,350</u>

## 8. SEGMENT INFORMATION

Information provided to the Executive Directors of the Company, being the chief operating decision maker, for the purposes of resources allocation and assessment of segment performance focuses on types of properties or services delivered or provided. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group in different operating activities.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Property development — developing and selling properties and project management
2. Property investment — leasing of investment properties
3. Hotel and polo club operation — provision of hotel accommodation and related services, food and beverage sales and polo club related services and activities

### Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

	Property development		Property investment		Hotel and polo club operation		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
External revenue	1,126,810	477,411	—	—	63,425	91,939	1,190,235	569,350
Inter-segment revenue	—	—	—	—	—	17,725	—	17,725
Segment revenue	<u>1,126,810</u>	<u>477,411</u>	<u>—</u>	<u>—</u>	<u>63,425</u>	<u>109,664</u>	<u>1,190,235</u>	<u>587,075</u>
Segment profit (loss)	<u>487,617</u>	<u>255,013</u>	<u>454,130</u>	<u>1,282,200</u>	<u>(231,298)</u>	<u>(258,283)</u>	710,449	1,278,930
Interest income							60	443
Unallocated corporate expenses							(142,726)	(201,635)
Finance costs							<u>(14,659)</u>	<u>(20,962)</u>
Profit before tax							<u>553,124</u>	<u>1,056,776</u>

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by/loss resulted from each segment without allocation of central administration costs, directors' salaries, interest income and finance costs. This is the measure reported to the chief operating decision maker, being the Executive Directors of the Company, for the purposes of resource allocation and performance assessment.

Inter-segment revenues are charged at prevailing market rate.

### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	Property development		Property investment		Hotel and polo club operation		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
<b>Segment Assets</b>								
Segment assets	9,904,480	9,709,714	22,896,245	21,059,420	2,622,099	2,835,928	35,422,824	33,605,062
Unallocated corporate assets							380,900	43,810
							<u>35,803,724</u>	<u>33,648,872</u>
<b>Segment Liabilities</b>								
Segment liabilities	(1,186,193)	(1,102,139)	(7,158,145)	(5,613,764)	(337,282)	(351,119)	(8,681,620)	(7,067,022)
Unallocated corporate liabilities							(10,787,996)	(9,891,849)
							<u>(19,469,616)</u>	<u>(16,958,871)</u>

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable and operating segments other than the Group head office's corporate assets, intangible assets, and cash and cash equivalents. Assets used jointly by reportable and operating segments are allocated on the basis of the estimated gross floor areas to be constructed by individual reportable and operating segments; and
- all liabilities are allocated to reportable and operating segments other than the Group head office's corporate liabilities, amounts due to related companies, bank borrowing, tax payable, obligations under finance leases, loan from a related company and deferred tax liabilities. Liabilities for which reportable and operating segments are jointly liable are allocated in proportion to segment assets.

### Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

	Property development		Property investment		Hotel and polo club operation		Unallocated		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>
Additions to property, plant and equipment	3	203	6	474	8,240	80,205	1,154	768	9,403	81,650
Additions to ponies	—	—	—	—	—	11,814	—	—	—	11,814
Amortisation of prepaid lease payments	—	—	—	—	6,220	6,394	—	—	6,220	6,394
Depreciation of property, plant and equipment	599	726	1,398	1,693	91,609	98,788	4,809	3,664	98,415	104,871
Depreciation of ponies	—	—	—	—	9,389	9,253	—	—	9,389	9,253
Loss on disposal of property, plant and equipment	—	—	—	—	4	235	24	46	28	281
Ponies written off	—	—	—	—	2,384	883	—	—	2,384	883
Increase in fair value of investment properties	—	—	486,681	679,155	—	—	—	—	486,681	679,155
Fair value gain upon transfer to investment properties	—	—	—	640,294	—	—	—	—	—	640,294

**Geographical information**

The Group's operations in property development, property investment and hotel and polo club operation are principally located in the PRC, excluding Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's carrying amount of non-current assets is presented based on the geographical area in which the assets are located.

	Revenue from external customers		Carrying amounts of non-current assets	
	2016 HK\$'000	2015 HK\$'000	2016 HK\$'000	2015 HK\$'000
Hong Kong	3,059	2,623	3,518	5,431
Other regions in the PRC	<u>1,187,176</u>	<u>566,727</u>	<u>25,415,383</u>	<u>23,779,941</u>
	<u>1,190,235</u>	<u>569,350</u>	<u>25,418,901</u>	<u>23,785,372</u>

Revenue for the year ended 31 March 2016 contributing over 10% of the Group's revenue was generated from the property development segment at the amount of HK\$1,097,043,000 (2015: HK\$474,788,000).

**9. OTHER INCOME**

Other income for the year comprises:

	2016 HK\$'000	2015 HK\$'000
Interest received on bank deposits	60	443
Government grants ( <i>note</i> )	24,689	—
Others	<u>104</u>	<u>186</u>
	<u>24,853</u>	<u>629</u>

*Note:* The amount represented the subsidy received from the local government bureau in the PRC as an incentive for the development in the region. There were no unfulfilled conditions and other contingencies attached to the receipt of this grant.

## 10. DIRECTORS', THE CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

### (i) Benefits and interests of Directors and the Chief Executive

Details of the Company's Directors' and the Chief Executive's emoluments pursuant to section 383 (1)–(4) of the Hong Kong Companies Ordinance and Part 2 of the Cap. 622G “Companies (Disclosure of Information about Benefits of Directors) Regulation” and applicable Listing Rules are as follows:

The emoluments paid or payable to each of the nine (2015: nine) Directors of the Company, which include the Chief Executive were as follows:

	Fees and other emoluments				Sub-total <i>HK\$'000</i> <i>(note 1)</i>	Share-based payment expenses <i>HK\$'000</i> <i>(note 2)</i>	Total emoluments <i>HK\$'000</i>
	Fees <i>HK\$'000</i>	Salaries and other benefits <i>HK\$'000</i>	Bonuses <i>HK\$'000</i>	Retirement benefit costs <i>HK\$'000</i>			
<b>Executive Directors</b>							
Mr. Pan	—	22,500	—	18	22,518	—	22,518
Mr. Ting Kwang Yuan, Edmond	—	3,967	—	18	3,985	945	4,930
Mr. Zhou Xiaojun	—	2,185	113	112	2,410	945	3,355
Mr. Li Huamao	—	1,500	69	98	1,667	945	2,612
Mr. Wong Hau Yan, Helvin*	—	1,015	—	8	1,023	389	1,412
Ms. Chan Sau Yin, Anita Teresa	—	4,440	—	18	4,458	472	4,930
<b>Independent Non-executive Directors</b>							
Mr. Lai Chi Kin	410	—	—	—	410	—	410
Dr. Ng Lai Man, Carmen	341	—	—	—	341	—	341
Dr. Cheung Kwan Wai	273	—	—	—	273	—	273
<b>Total for 2016</b>	<b>1,024</b>	<b>35,607</b>	<b>182</b>	<b>272</b>	<b>37,085</b>	<b>3,696</b>	<b>40,781</b>



	Fees and other emoluments					Share-based payment expenses HK\$'000 (note 2)	Total emoluments HK\$'000
	Fees HK\$'000	Salaries and other benefits HK\$'000	Bonuses HK\$'000	Retirement benefit costs HK\$'000	Sub-total HK\$'000 (note 1)		
<b>Executive Directors</b>							
Mr. Pan	—	22,500	—	18	22,518	—	22,518
Mr. Ting Kwang Yuan, Edmond	—	3,798	312	18	4,128	2,040	6,168
Mr. Zhou Xiaojun	—	2,110	152	109	2,371	2,040	4,411
Mr. Li Huamao	—	1,460	92	95	1,647	2,040	3,687
Mr. Wong Hau Yan, Helvin	—	2,378	195	18	2,591	2,040	4,631
Ms. Chan Sau Yin, Anita Teresa	—	4,440	259	18	4,717	924	5,641
<b>Independent Non-executive Directors</b>							
Mr. Lai Chi Kin	410	—	—	—	410	—	410
Dr. Ng Lai Man, Carmen	341	—	—	—	341	—	341
Dr. Cheung Kwan Wai	273	—	—	—	273	—	273
<b>Total for 2015</b>	<b>1,024</b>	<b>36,686</b>	<b>1,010</b>	<b>276</b>	<b>38,996</b>	<b>9,084</b>	<b>48,080</b>

\* Retired as a Director on 28 August 2015

*Notes:*

1. (i) All the salaries and other benefits, bonuses and retirement scheme contributions payable to the Executive Directors of the Company were in respect of their services in connection with the management of the affairs of the Company and/or its subsidiaries undertakings;
- (ii) All the emoluments payable to the Independent Non-executive Directors of the Company were in respect of their services as directors of the Company undertakings.
2. These represent the estimated value of share options granted to the Directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 3.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share options" in the Directors' report and note 34.

Mr. Pan is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

Except for the proposed disposal transaction of a subsidiary as set out in note 40, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**(ii) Employees' emoluments**

Of the five individuals with the highest emoluments in the Group, four (2015: four) are the Directors of the Company whose emoluments are disclosed above. The emoluments of the remaining one (2015: one) individual was an employee of the Group, details of whose remuneration are as follows:

	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
Salaries and other benefits	1,800	2,400
Bonuses	—	200
Retirement benefits costs	<u>7</u>	<u>9</u>
Sub-total	1,807	2,609
Share-based payment expenses	<u>1,156</u>	<u>2,499</u>
	<u><u>2,963</u></u>	<u><u>5,108</u></u>

The emoluments were within the following bands:

	<b>2016</b>	<b>2015</b>
HK\$2,500,001 to HK\$3,000,000	1	—
HK\$5,000,001 to HK\$5,500,000	<u>—</u>	<u>1</u>

During both years, no emoluments were paid by the Group to the Directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors of the Company has waived or agreed to waive any emoluments during both years.

**11. FINANCE COSTS**

	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
Interests on:		
— Finance leases	(18)	(25)
— Bank borrowing	(14,641)	(20,937)
— Loan from a related company	<u>(633,012)</u>	<u>(448,423)</u>
	(647,671)	(469,385)
Less: Amount capitalised in investment properties under construction	563,381	376,675
Amount capitalised in properties for sale	<u>69,631</u>	<u>71,748</u>
	<u><u>(14,659)</u></u>	<u><u>(20,962)</u></u>

*Note:* All capitalised finance costs are related to specific borrowings.

## 12. PROFIT BEFORE TAX

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit before tax has been arrived at after charging:		
Auditors' remuneration	4,836	4,748
Amortisation of prepaid lease payments	6,220	6,394
Depreciation of property, plant and equipment	98,415	104,871
Depreciation of ponies	9,389	9,253
Loss on disposal of property, plant and equipment	28	281
Ponies written off	2,384	883
Operating lease rentals in respects of rented premises	15,811	17,862
Staff costs (including directors' emoluments)		
Salaries, bonuses and allowances	246,742	270,521
Retirement benefit cost ( <i>note 35</i> )	22,212	23,601
Share-based payment expenses	<u>21,324</u>	<u>52,175</u>
	290,278	346,297
Less: Amount capitalised in investment properties under construction	(51,454)	(44,263)
Amount capitalised in properties for sale	<u>(14,711)</u>	<u>(22,977)</u>
	<u>224,113</u>	<u>279,057</u>

## 13. INCOME TAX EXPENSE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
The income tax expense comprises:		
Current tax		
— PRC Enterprise Income Tax	(92,367)	(44,754)
— PRC Land Appreciation Tax	<u>(84,302)</u>	<u>(27,294)</u>
	(176,669)	(72,048)
Deferred tax ( <i>note 31</i> )	<u>170,170</u>	<u>(329,862)</u>
Income tax expense for the year	<u>(6,499)</u>	<u>(401,910)</u>

No provision for Hong Kong Profits Tax has been made as the group companies operating in Hong Kong do not have any assessable profits for both years.

The PRC Enterprise Income Tax is calculated at the rates applicable to respective subsidiaries. Under the laws of the PRC on Enterprise Income Tax and Implementation Regulation of the Enterprise Income Tax Law, the tax rate applicable to the PRC subsidiaries is 25% from 1 January 2008 onwards.

The provision of the PRC Land Appreciation Tax is calculated according to the requirements set forth in the relevant PRC tax laws and regulations. The PRC Land Appreciation Tax has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit before tax	<u>553,124</u>	<u>1,056,776</u>
Tax charge at the domestic income tax rate of 25% (2015: 25%)	(138,281)	(264,194)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(16,697)	(18,303)
Tax effect of income not taxable for tax purpose	161	759
Tax effect of expenses not deductible for tax purpose	(5,167)	(10,897)
Tax effect of tax losses not recognised	(86,947)	(93,634)
PRC Land Appreciation Tax	(84,302)	(27,294)
Tax effect of PRC Land Appreciation Tax	21,075	6,824
Decrease in deferred tax liabilities resulting from changes in PRC tax laws and regulations substantively enacted subsequent to the end of the reporting period ( <i>note</i> )	272,223	—
Others	<u>31,436</u>	<u>4,829</u>
Tax charge for the year	<u>(6,499)</u>	<u>(401,910)</u>

*Note:* The amount represented the tax effect as a result of the introduction of PRC Value Added Tax on the real estate sector with effective from 1 May 2016, which led to the decrease in deferred tax liabilities as at 31 March 2016 in view of the changes in tax bases in calculating the deferred tax.

#### 14. DIVIDENDS

No dividend was paid or proposed by the Directors of the Company for both years, nor has any dividend been proposed since the end of the reporting period.

#### 15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purposes of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	<u>546,625</u>	<u>654,866</u>

	2016 <i>Number of shares</i>	2015 <i>Number of shares</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,569,740,089	3,567,565,421
Effect of dilutive potential ordinary shares:		
— Share options	<u>92,313,931</u>	<u>41,804,478</u>
 Weighted average number of ordinary shares for the purpose of diluted earnings per share	 <u>3,662,054,020</u>	 <u>3,609,369,899</u>

The computation of diluted earnings per share for year ended 31 March 2015 did not assume the exercise of certain of the Company's share options as the exercise price was higher than the average market price per share for year ended 31 March 2015.

## 16. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>HKS'000</i>	Hotel and polo club properties <i>HKS'000</i> <i>(note)</i>	Plant and machinery <i>HKS'000</i>	Leasehold improvements <i>HKS'000</i>	Furniture, fixtures and equipment <i>HKS'000</i>	Motor vehicles <i>HKS'000</i>	Total <i>HKS'000</i>
<b>AT COST</b>							
At 1 April 2014	13,018	2,546,472	757	5,549	158,496	65,112	2,789,404
Exchange							
realignment	11	1,947	1	—	129	46	2,134
Additions	31,151	31,748	—	—	18,751	—	81,650
Disposals	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(908)</u>	<u>—</u>	<u>(908)</u>
At 31 March 2015	44,180	2,580,167	758	5,549	176,468	65,158	2,872,280
Exchange							
realignment	(1,846)	(93,820)	(32)	—	(6,593)	(2,166)	(104,457)
Additions	54	7,710	—	128	1,511	—	9,403
Disposals	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(983)</u>	<u>—</u>	<u>(983)</u>
At 31 March 2016	<u>42,388</u>	<u>2,494,057</u>	<u>726</u>	<u>5,677</u>	<u>170,403</u>	<u>62,992</u>	<u>2,776,243</u>
<b>DEPRECIATION</b>							
At 1 April 2014	559	179,000	757	5,549	85,391	38,240	309,496
Exchange							
realignment	—	158	1	—	68	28	255
Provided for the year	185	68,087	—	—	24,555	12,044	104,871
Eliminated on disposals	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(627)</u>	<u>—</u>	<u>(627)</u>
At 31 March 2015	744	247,245	758	5,549	109,387	50,312	413,995
Exchange							
realignment	(71)	(11,342)	(32)	—	(4,428)	(1,823)	(17,696)
Provided for the year	2,645	67,631	—	5	19,374	8,760	98,415
Eliminated on disposals	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(955)</u>	<u>—</u>	<u>(955)</u>
At 31 March 2016	<u>3,318</u>	<u>303,534</u>	<u>726</u>	<u>5,554</u>	<u>123,378</u>	<u>57,249</u>	<u>493,759</u>
<b>CARRYING AMOUNTS</b>							
At 31 March 2016	<u>39,070</u>	<u>2,190,523</u>	<u>—</u>	<u>123</u>	<u>47,025</u>	<u>5,743</u>	<u>2,282,484</u>
At 31 March 2015	<u>43,436</u>	<u>2,332,922</u>	<u>—</u>	<u>—</u>	<u>67,081</u>	<u>14,846</u>	<u>2,458,285</u>

The buildings and the hotel properties are located on land in the PRC.

The polo club properties are located on land owned by 天津新技術產業園區管理委員會 Administrative Committee of Tianjin Hi-Tech Industry Park. During the year ended 31 March 2009, 天津新技術產業園區管理委員會 Administrative Committee of Tianjin Hi-Tech Industry Park had granted the Group with the right to use such land for 40 years provided that the Group was committed to construct the polo club with minimum investment of RMB160,000,000 (equivalent to HK\$180,800,000). The Group had already reached the committed minimum investment during the year ended 31 March 2010.

The carrying amount of the furniture, fixtures and equipment of the Group in respect of assets held under finance leases was nil (2015: HK\$78,000).

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the estimated useful life of 20 years, or the unexpired term of the relevant lease, whichever is shorter
Hotel and polo club properties	Over the estimated useful life of 40 years, or the unexpired term of the relevant lease, whichever is shorter
Plant and machinery	10%–20%
Leasehold improvements	Over the estimated useful life of 5 years or the unexpired term of the relevant lease, whichever is shorter
Furniture, fixtures and equipment	10%–33 <sup>1</sup> / <sub>3</sub> %
Motor vehicles	20%

*Note:* As at 31 March 2016, the carrying amount of hotel properties of the Group amounted to approximately HK\$1,442,477,000 (2015: HK\$1,536,593,000) while the carrying amount of polo club properties of the Group amounted to approximately HK\$748,046,000 (2015: HK\$796,329,000).

During the year, the Directors conducted a review of the Group's hotel and polo club properties and determined that those assets were not impaired after the consideration of the expectations on the market development and business growth of the hotel and polo club after the completion of the residential and commercial properties in the same area being developed by the Group. Accordingly, no impairment loss was required to be recognised in respect of the Group's hotel and polo club properties for the year.

## 17. PONIES

	<i>HK\$'000</i>
<b>AT COST</b>	
At 1 April 2014	63,088
Exchange realignment	51
Additions	11,814
Written off	<u>(1,348)</u>
At 31 March 2015	73,605
Exchange realignment	(2,820)
Written off	<u>(4,698)</u>
At 31 March 2016	<u>66,087</u>
<b>DEPRECIATION</b>	
At 1 April 2014	22,150
Exchange realignment	17
Provided for the year	9,253
Elimination on written off	<u>(465)</u>
At 31 March 2015	30,955
Exchange realignment	(1,336)
Provided for the year	9,389
Elimination on written off	<u>(2,314)</u>
At 31 March 2016	<u>36,694</u>
<b>CARRYING AMOUNT</b>	
<b>At 31 March 2016</b>	<u><u>29,393</u></u>
At 31 March 2015	<u><u>42,650</u></u>

Ponies are depreciated on a straight-line basis at 14.3% per annum.

## 18. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
At 1 April 2014	14,823,132
Exchange realignment	12,639
Construction cost incurred and capitalised expenditure	4,514,766
Transferred from other assets	357,947
Increase in fair value recognised in profit or loss	679,155
Fair value gain upon transfer of other assets to investment properties	<u>640,294</u>
At 31 March 2015	21,027,933
Exchange realignment	(870,004)
Construction cost incurred and capitalised expenditure	2,222,103
Increase in fair value recognised in profit or loss	<u>486,681</u>
<b>At 31 March 2016</b>	<u><u>22,866,713</u></u>

The fair values of the Group's investment properties at 31 March 2016 and 31 March 2015 have been arrived at on the basis of valuation carried out on these dates by Savills Valuation and Professional Services Limited, an independent qualified professional valuer not connected with the Group, who has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

In estimating the fair values of the Group's investment properties, the highest and best use of the properties is their current use.

The valuation of the Group's investment properties under construction is determined with reference to the fair value of the bare land plus construction costs incurred. The fair value of the bare land has been arrived at by adopting the comparison approach and making reference to the market transactions as available in the markets, with adjustments made to account for various factors including geographical location of the properties, availability of transportation system and public facilities and the estimated development period of the Group's investment properties under construction. The valuer has also determined on the basis that the Group's investment properties under construction will be developed and completed in accordance with the latest development proposals and taken into account the construction costs that will be expended to complete the development as well as developer's profit margin to reflect the quality of the completed development.

There were no changes to the valuation techniques during the year.

All of the Group's property interests held under operating leases to earn rentals purpose are measured using the fair value model and are classified and accounted for as investment properties.

All of the Group's investment properties are under construction and located on leasehold lands in the PRC.



The following table gives information about how the fair values of these investment properties are determined including the inputs used, as well as the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements.

Investment properties held by the Group in the consolidated statement of financial position	Fair value hierarchy	Key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Sensitivity
At 31 March 2016 and 31 March 2015					
Investment properties under construction that are measured at fair value located in Tianjin	Level 3	The key inputs are (1) Unit rate of bare land value (2) Construction cost incurred	Unit rate of bare land value, taking into account of location and individual factors such as geographical location of the properties, availability of transportation system and public facilities, with the comparables at gross floor area of RMB8,426 (2015: RMB7,583) per square metre.	The higher the unit rate of bare land value, the higher the fair value.	A significant increase in the unit rate of bare land value would result in a significant increase in fair value and vice versa.
			Construction cost incurred, taking into account of progress of the properties, at gross floor area of RMB8,600 (2015: RMB7,421) per square metre.	The higher the construction cost incurred, the higher the fair value.	No sensitivity analysis for construction cost incurred since they are derived from the existing construction cost incurred as at the date of valuation.

## 19. PREPAID LEASE PAYMENTS

	2016 HK\$'000	2015 HK\$'000
Analysed for reporting purposes as:		
Current portion	6,127	6,394
Non-current portion	<u>222,868</u>	<u>238,973</u>
	<u>228,995</u>	<u>245,367</u>

As at 31 March 2016 and 31 March 2015, the carrying amount of land use rights used for hotel operation amounted to approximately RMB127,716,000 (equivalent to HK\$152,991,000) (2015: RMB131,491,000 (equivalent to HK\$164,377,000)).

**20. INTANGIBLE ASSETS**

	<b>Club debentures HK\$'000</b>
<b>AT COST</b>	
At 1 April 2014, 31 March 2015 and 31 March 2016	610
<b>AMORTISATION AND IMPAIRMENT</b>	
At 1 April 2014, 31 March 2015 and 31 March 2016	<u>520</u>
<b>CARRYING AMOUNT</b>	
At 31 March 2015 and 31 March 2016	<u><u>90</u></u>

The amount represents the club debentures which are having an indefinite useful life because they are expected to generate economic benefit indefinitely. The club debentures are tested for impairment annually by reference to the market value.

**21. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND PONIES**

As at 31 March 2016, deposits paid by the Group amounting to approximately HK\$17,353,000 (2015: HK\$17,441,000) were mainly in relation to the acquisition of property, plant and equipment and ponies for hotel and polo club operation.

**22. INVENTORIES**

	<b>2016 HK\$'000</b>	<b>2015 HK\$'000</b>
Food, wine and beverage and general stores	47,761	58,010
Polo products	<u>8,656</u>	<u>9,908</u>
	<u><u>56,417</u></u>	<u><u>67,918</u></u>

**23. PROPERTIES FOR SALE**

	<b>2016 HK\$'000</b>	<b>2015 HK\$'000</b>
Completed properties for sale	2,090,046	2,626,458
Properties under development for sale	<u>6,900,973</u>	<u>6,890,425</u>
	<u><u>8,991,019</u></u>	<u><u>9,516,883</u></u>

The Group's properties for sale are situated in the PRC. All properties for sale are carried at lower of cost and net realisable value.

## 24. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	797,405	69,048
Other receivables and prepayments	167,011	171,209
Deposits	<u>10,613</u>	<u>15,014</u>
Total trade and other receivables, prepayments and deposits	<u>975,029</u>	<u>255,271</u>

As at 31 March 2016 and 31 March 2015, other receivables and prepayments mainly include (i) the amount of RMB42,929,000 (equivalent to HK\$51,425,000) (2015: RMB42,929,000 (equivalent to HK\$53,666,000)) which represented receivable from Tianjin Hi-Tech Property Development Company Limited (“**Tianjin Hi-Tech Property**”) in respect of the corresponding tax liability paid and payable in respect of waiver of shareholders’ loans in which Tianjin Hi-Tech Property has agreed to bear upon the acquisition of assets and liabilities of 天津華鼎置業有限公司 Tianjin Huading Real Estate Company Limited (“**Huading**”), a subsidiary acquired during the year ended 31 March 2009. The amount is unsecured, interest-free and repayable on demand; and (ii) prepayments for construction materials of HK\$42,099,000 (2015: HK\$44,205,000).

As at 31 March 2016, included in trade and other receivables, prepayments and deposits of the Group are trade receivables (net of allowance for doubtful debts) of HK\$797,405,000 (2015: HK\$69,048,000), of which HK\$796,604,000 (2015: HK\$68,217,000) are to be settled on or before 30 September 2016 which are based on the terms of sales and purchase agreements of completed properties for sale.

The Group allows an average credit period of 30 days to its customers for certain services rendered by the Group. The Group’s trade receivables net of allowance for doubtful debts from hotel and polo club operation based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates, was within the age of 60 days.

The Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade debtors.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Accordingly, the Directors of the Company believe that no provision is required.

The Group’s trade and other receivables, prepayments and deposits that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	USD <i>HK\$'000</i>	HKD <i>HK\$'000</i>
At 31 March 2016	—	14,278
At 31 March 2015	<u>8</u>	<u>14,278</u>

**25. CASH AND CASH EQUIVALENTS**

The Group's cash and cash equivalents comprise of cash, bank balances and time deposits with original maturity of less than three months. The Group's cash and cash equivalents that are denominated in currencies other than RMB, the functional currency of the relevant group entities are set out below:

	AUD <i>HK\$'000</i>	USD <i>HK\$'000</i>	HKD <i>HK\$'000</i>
Cash and cash equivalents			
<b>At 31 March 2016</b>	44	5,770	1,095
At 31 March 2015	<u>44</u>	<u>1,621</u>	<u>1,676</u>

The Group's bank balances carry interest at market rates which range from 0.01% to 0.35% (2015: 0.01% to 0.35%) per annum.

**26. TRADE AND OTHER PAYABLES**

An aged analysis of trade payables, presented based on the invoice date, at the end of the reporting period is set out as follows:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
0–90 days	<u>409,916</u>	<u>438,605</u>
Total trade payables	409,916	438,605
Construction cost payables ( <i>note a</i> )	5,663,142	4,254,621
Retention payables ( <i>note b</i> )	<u>1,696,633</u>	<u>1,489,849</u>
<b>Trade and construction cost payables</b>	<u>7,769,691</u>	<u>6,183,075</u>
Dividend payable	1,102	1,102
Other payables ( <i>note c</i> )	454,186	426,255
Deposits received in advance ( <i>note d</i> )	392,706	387,591
Polo club membership fees received in advance	64,173	68,736
Others	<u>1,159</u>	<u>1,210</u>
<b>Other payables and accruals</b>	<u>913,326</u>	<u>884,894</u>
	<u>8,683,017</u>	<u>7,067,969</u>

*Notes:*

- (a) Construction cost payables represented the payables on construction costs incurred for the development of investment properties and hotel and polo club properties.
- (b) Retention payables are expected to be paid after twelve months from the end of the reporting period upon the expiry of the retention periods in accordance with the respective contracts.
- (c) As at 31 March 2016 and 31 March 2015, the amount mainly represented consideration payable of RMB89,912,000 (equivalent to HK\$107,706,000) (2015: RMB89,912,000 (equivalent to HK\$112,399,000)) in relation to the acquisition of a wholly-owned subsidiary during the year

ended 31 March 2009 which has been subsequently merged with Goldin Properties (Tianjin) Company Limited during the year ended 31 March 2011. The amount was unsecured and repayable on demand.

- (d) The balance mainly represented the amount together with accrued interest of RMB276,038,000 (equivalent to HK\$330,666,000) (2015: RMB270,000,000 (equivalent to HK\$337,527,000)) regarding the deposits received from Tianjin Hi-Tech Holding Group Company Limited (“**Tianjin Hi-Tech Holding**”) in relation to proposed disposal of leasehold lands during the year ended 31 March 2009 (the “**Disposal**”). The Disposal was subsequently terminated during the year ended 31 March 2015 and the related deposits would be refunded to Tianjin Hi-Tech Holding on or before 31 October 2015 pursuant to the termination agreement entered into with Tianjin Hi-Tech Holding during the year ended 31 March 2015. In addition, Tianjin Hi-Tech Holding and the Group were required to sign a separate supplementary agreement on or before 31 October 2015 in order to settle the outstanding matters, specifically the net amount due to Tianjin Hi-Tech Holding and its affiliates of RMB68,316,000 (equivalent to HK\$81,836,000) (2015: RMB68,316,000 (equivalent to HK\$85,402,000)) which has been recognised by the Group, in respect of acquisition of subsidiaries by the Group from Tianjin Hi-Tech Holding and/or its affiliates in previous years (the “**Supplementary Agreement for Settlement**”) in accordance with the termination agreement.

During the year ended 31 March 2016, an amount of RMB6,000,000 (equivalent to HK\$7,187,000) was refunded to Tianjin Hi-Tech Holding and an interest of RMB12,038,000 (equivalent to HK\$14,420,000) was provided at 0.03% per day on the remaining balance not yet refunded to Tianjin Hi-Tech Holding since 1 November 2015 in accordance with the termination agreement. On 21 April 2016, the Group and Tianjin Hi-Tech Holding subsequently entered into an additional agreement to extend the repayment date for the remaining balance of the deposits to 30 July 2016.

As at 31 March 2016, the Group has not yet reached any conclusion with Tianjin Hi-Tech Holding and/or its affiliates and accordingly, the Supplementary Agreement for Settlement was not yet signed. In case that the Group failed to fulfil its obligations as stipulated in the termination agreement and should there be any disputes or disagreements in reaching any conclusion with Tianjin Hi-Tech Holding and/or its affiliates, all parties should take initiative to reach the agreement through negotiation first or otherwise, the resolution of such disputes or disagreements may be determined by the legal proceeding pursuant to the termination agreement. However, the Group has already recognised all of the liabilities owed to Tianjin Hi-Tech Holding and/or its affiliates in the consolidated financial statements according to the termination agreement. In addition, the Directors considered any further potential challenge made by Tianjin Hi-Tech Holding and/or its affiliates against the Group is remote at the moment.

The remaining amounts mainly represented deposits received from potential purchasers of properties for sale and sponsors for future polo tournaments, which are unsecured and interest-free.

The Group’s trade and other payables that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	USD <i>HK\$’000</i>	HKD <i>HK\$’000</i>
At 31 March 2016	1,712	3,002
At 31 March 2015	<u>1,723</u>	<u>14,424</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

## 27. AMOUNTS DUE FROM (TO) RELATED COMPANIES

## Amount due from a related company

Name of related company	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Smart Edge Limited	<u>1,498</u>	<u>1,716</u>

Smart Edge Limited is a subsidiary of Goldin Financial Holdings Limited (“GFHL”), and Mr. Pan is a non-executive director, the chairman and the controlling shareholder of GFHL.

The amount due from a related company which is of trade nature, is unsecured, interest-free and aged within 30 days based on the invoice date, which approximates the revenue recognition date, at the end of the reporting period. The balance as at 31 March 2016 was fully settled subsequently after the year ended 31 March 2016.

## Amounts due to related companies

The amounts due to related companies, in which Mr. Pan, the Director and Chairman of the Company, has beneficial interests, are unsecured, interest-free and repayable on demand, except for HK\$63,201,000 (2015: HK\$53,817,000) which represents interest payable on the loan granted to the Group from Goldin Special Situations Limited (“Goldin Special Situations”) are repayable on contractual dates.

The Group’s amounts due to related companies that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	USD <i>HK\$'000</i>
At 31 March 2016	72,005
At 31 March 2015	<u>63,005</u>

## 28. BANK BORROWING

	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
Carrying amount repayable*:		
Within one year	53,906	56,255
More than one year, but not exceeding two years	53,906	56,255
More than two years, but not more than five years	<u>67,381</u>	<u>126,572</u>
	175,193	239,082
Less: Amount due within one year shown under current liabilities	<u>(53,906)</u>	<u>(56,255)</u>
Amount shown under non-current liabilities	<u>121,287</u>	<u>182,827</u>

\* The amount due is based on scheduled repayment dates set out in the loan agreement.

	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
Unsecured bank loan	<u>175,193</u>	<u>239,082</u>

At 31 March 2016, the Group has an unsecured bank loan in the amount of RMB146,250,000 (equivalent to HK\$175,193,000) (2015: RMB191,250,000 (equivalent to HK\$239,082,000)). Such bank loan carries interest at market rate of 5.64% (2015: 6.79%) per annum and is repayable in instalments over a period of 7 years to 2019. The proceeds were used to finance the daily operation of hotel and polo club.

During the year, the Group repaid RMB45,000,000 (equivalent to HK\$54,729,000) (2015: RMB45,000,000 (equivalent to HK\$56,255,000)) based on the scheduled repayment dates.

The bank borrowing of the Group is denominated in RMB, which is the functional currency of the relevant group entity.

## 29. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Amounts payable under finance leases:				
Within one year	105	105	95	87
In the second to fifth year inclusive	<u>69</u>	<u>174</u>	<u>68</u>	<u>163</u>
	174	279	163	250
Less: Future finance charges	<u>(11)</u>	<u>(29)</u>	<u>—</u>	<u>—</u>
Present value of lease obligations	<u><u>163</u></u>	<u><u>250</u></u>	163	250
Less: Amount due for settlement within one year			<u>(95)</u>	<u>(87)</u>
Amount due for settlement after one year			<u><u>68</u></u>	<u><u>163</u></u>

The lease terms are five years. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

## 30. LOAN FROM A RELATED COMPANY

The Group obtained an unsecured loan facility from a related company, Goldin Special Situations, in which Mr. Pan has a beneficial interest, at the principal amount of not more than US\$2 billion (equivalent to HK\$15,507,000,000 (2015: HK\$15,509,000,000)) which is unsecured, carries interests at a rate of 8% per annum and was repayable on or before 31 December 2016. During the year, the expiry date was extended to 31 December 2017 and the amount is therefore classified as non-current.

Goldin Special Situations is a private investment company which is mainly engaged in the investment in physical assets and financial instruments, including real estate property, equities, equity-linked products as well as fixed income bonds. It also involves in investment relating to mergers and acquisitions of listed or private companies.

The loan from a related company of the Group was denominated in USD other than RMB, the functional currency of the relevant group entity.



**31. DEFERRED TAX LIABILITIES**

The movements in major deferred tax liability recognised during the year are as follows:

	<b>Revaluation of investment properties</b> <i>HK\$'000</i>
At 1 April 2014	1,320,485
Exchange realignment	1,163
Charge to profit or loss ( <i>note 13</i> )	<u>329,862</u>
At 31 March 2015	1,651,510
Exchange realignment	(66,403)
Credit to profit or loss ( <i>note 13</i> )	<u>(170,170)</u>
<b>At 31 March 2016</b>	<b><u>1,414,937</u></b>

At 31 March 2016, the Group had unused tax losses of HK\$2,057,272,000 (2015: HK\$1,690,728,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. Included in the tax losses are losses of HK\$1,015,060,000 (2015: HK\$815,518,000) that will expire within five years from the end of the reporting period. Other losses may be carried forward indefinitely. There were no other significant temporary differences arising during the year or at the end of the reporting period.

Included in unexpired tax losses are tax losses of HK\$1,059,956,000 (2015: HK\$863,536,000) that are not yet assessed by the relevant tax authorities.

The deferred tax credit recognised during the year ended 31 March 2016 mainly represented the decrease in deferred tax liabilities resulting from changes in PRC tax laws and regulations substantively enacted subsequent to the end of the reporting period (see note 13 for details).

**32. SHARE CAPITAL**

	<i>Note</i>	Number of shares		Share capital	
		2016	2015	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Issued and fully paid:					
At 1 April		3,567,747,535	3,567,380,426	10,925,483	10,923,728
Issue of new shares upon exercise of share options	(a)	<u>5,017,978</u>	<u>367,109</u>	<u>24,172</u>	<u>1,755</u>
At 31 March		<u><u>3,572,765,513</u></u>	<u><u>3,567,747,535</u></u>	<u><u>10,949,655</u></u>	<u><u>10,925,483</u></u>

*Note:*

- (a) During the year ended 31 March 2016, 5,017,978 (2015: 367,109) new shares in the Company were issued at prices of HK\$3.27, HK\$3.14, HK\$3.72, HK\$2.69 and HK\$3.35 (2015: HK\$3.27, HK\$3.14, HK\$3.72 and HK\$2.69) per share upon exercise of share options granted on 3 August 2009, 21 April 2010, 10 August 2010, 27 March 2012 and 28 March 2014, respectively (2015: share options granted on 3 August 2009, 21 April 2010, 10 August 2010 and 27 March 2012, respectively).

All of the new shares issued rank pari passu with the then existing shares of the Company in issue in all respects.

**33. RESERVES**

Details of changes in reserves of the Group and the Company are set out in the consolidated statement of changes in equity on page 64 and note 41, respectively.

Equity participant reserve represents gain on the surrender which was granted to an existing shareholder of the Company as at 24 November 2008, gain/loss on sale of certain assets/liabilities to a Director and controlling shareholder of the Company.

**34. SHARE-BASED PAYMENTS**

The Company operates a share option scheme (the “**Scheme**”) for the purpose of providing incentives or rewards to participants.

Under the share option scheme, the Board of Directors of the Company may grant options as an incentive to selected participants, including Directors and its subsidiaries, to subscribe for shares in the Company at the price determined by the Directors, but shall not be lower than the higher of (i) the closing price of the Company’s shares on the Stock Exchange on the date of grant; and (ii) the average of the closing prices of the Company’s shares on the Stock Exchange for the five trading days immediately preceding the date of grant. The maximum number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the total number of shares of the Company on the date of adopting the Scheme. An option may be exercised at any time within ten years from the date, upon payment of HK\$1 on acceptance.

The offer of a grant of share options under the scheme may be accepted within 28 days from the date of the offer by the grantee. The vesting and exercisable period of the share option granted is determinable at the entire discretion of the Board of Directors but the exercisable period will not exceed a period of ten years immediate after acceptance of grant.

The following tables disclose details of the Company's share options and movements in such holdings during the year:

Details of share options held by employees (other than Directors) of the Company are as follows:

Date of grant	Subscription price per share			Exercisable period	Number of share options											
	Before adjustment HK\$ (note 1 and 2)	After adjustment 2007 HK\$ (note 1 and 2)	After adjustment 2012 HK\$ (note 1 and 2)		Outstanding at 1.4.2015	Reclassified from "Employees" to "Other participants"	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.3.2016						
28.9.2005	1.43	1.32	1.31	28.9.2005 to 27.9.2015	1,968	—	—	(1,968)	—							
27.11.2007	—	6.56	6.50	27.11.2007 to 26.11.2017	8,072,727	—	—	—	8,072,727							
3.8.2009	—	3.30	3.27	3.8.2010 to 2.8.2019	943,305	—	—	(152,372)	790,933							
3.8.2009	—	3.30	3.27	3.8.2011 to 2.8.2019	1,710,405	—	—	(196,772)	1,513,633							
3.8.2009	—	3.30	3.27	3.8.2012 to 2.8.2019	2,280,572	—	—	(262,364)	2,018,208							
21.4.2010	—	3.17	3.14	21.4.2011 to 20.4.2020	1,155,465	—	—	(196,772)	(30,272)	928,421						
21.4.2010	—	3.17	3.14	21.4.2012 to 20.4.2020	1,235,113	—	—	(196,772)	(30,272)	1,008,069						
21.4.2010	—	3.17	3.14	21.4.2013 to 20.4.2020	1,687,220	—	—	(87,746)	(40,365)	1,559,109						
10.8.2010	—	3.75	3.72	10.8.2011 to 9.8.2020	305,753	—	—	(90,818)	—	214,935						
10.8.2010	—	3.75	3.72	10.8.2012 to 9.8.2020	305,753	—	—	(50,000)	—	255,753						
10.8.2010	—	3.75	3.72	10.8.2013 to 9.8.2020	407,672	—	—	(60,545)	—	347,127						
27.3.2012	—	—	2.69	27.9.2012 to 26.3.2022	6,699,982	(16,666)	—	—	(353,332)	6,329,984						
27.3.2012	—	—	2.69	27.12.2013 to 26.3.2022	6,699,982	(16,666)	—	—	(353,332)	6,329,984						
27.3.2012	—	—	2.69	27.3.2015 to 26.3.2022	6,700,036	(16,668)	—	—	(353,336)	6,330,032						
28.3.2014	—	—	3.35	28.3.2015 to 27.3.2024	8,160,000	—	—	—	(270,000)	7,890,000						
28.3.2014	—	—	3.35	28.3.2016 to 27.3.2024	8,160,000	—	—	—	(270,000)	7,890,000						
28.3.2014	—	—	3.35	28.3.2017 to 27.3.2024	10,880,000	—	—	—	(360,000)	10,520,000						
					<u>65,405,953</u>	<u>(50,000)</u>	<u>—</u>	<u>(1,294,161)</u>	<u>(2,062,877)</u>	<u>61,998,915</u>						
No. of exercisable share options										<u>51,478,915</u>						
Weighted average exercise price					<u>HK\$3.52</u>	<u>HK\$2.69</u>	<u>—</u>	<u>HK\$3.29</u>	<u>HK\$3.00</u>	<u>HK\$3.55</u>						

Details of share options held by the Directors are as follows:

Date of grant	Subscription price per share			Exercisable period	Outstanding at 1.4.2015	Number of share options				
	Before adjustment	After adjustment	After adjustment			Reclassified from "Directors" to "Other participants"	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.3.2016
	HKS	HKS	HKS							
	(note 1 and 2)	(note 1 and 2)	(note 1 and 2)							
3.8.2009	—	3.30	3.27	3.8.2010 to 2.8.2019	605,454	—	—	—	—	605,454
3.8.2009	—	3.30	3.27	3.8.2011 to 2.8.2019	1,210,908	—	—	—	—	1,210,908
3.8.2009	—	3.30	3.27	3.8.2012 to 2.8.2019	2,011,639	(397,095)	—	—	—	1,614,544
27.3.2012	—	—	2.69	27.9.2012 to 26.3.2022	999,999	—	—	—	—	999,999
27.3.2012	—	—	2.69	27.12.2013 to 26.3.2022	1,333,332	(333,333)	—	—	—	999,999
27.3.2012	—	—	2.69	27.3.2015 to 26.3.2022	1,333,336	(333,334)	—	—	—	1,000,002
28.3.2014	—	—	3.35	28.3.2015 to 27.3.2024	2,700,000	(600,000)	—	—	—	2,100,000
28.3.2014	—	—	3.35	28.3.2016 to 27.3.2024	2,700,000	(600,000)	—	—	—	2,100,000
28.3.2014	—	—	3.35	28.3.2017 to 27.3.2024	3,600,000	(800,000)	—	—	—	2,800,000
					<u>16,494,668</u>	<u>(3,063,762)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,430,906</u>
No. of exercisable share options										<u>10,630,906</u>
Weighted average exercise price					<u>HK\$3.19</u>	<u>HK\$3.20</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>HK\$3.18</u>

Details of share options held by other participants of the Company are as follows:

Date of grant	Subscription price per share			Exercisable period	Outstanding at 1.4.2015	Number of share options					
	Before adjustment	After adjustment	After adjustment			Reclassified from "Directors" to "Other participants"	Reclassified from "Employees" to "Other participants"	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31.3.2016
	HKS	HKS	HKS								
	(note 1 and 2)	(note 1 and 2)	(note 1 and 2)								
3.8.2009	—	3.30	3.27	3.8.2010 to 2.8.2019	2,123,305	—	—	—	—	2,123,305	
3.8.2009	—	3.30	3.27	3.8.2011 to 2.8.2019	2,346,132	—	—	(181,636)	—	2,164,496	
3.8.2009	—	3.30	3.27	3.8.2012 to 2.8.2019	3,128,182	397,095	—	(242,181)	—	3,283,096	
21.4.2010	—	3.17	3.14	21.4.2011 to 20.4.2020	3,394,091	—	—	—	(36,324)	3,357,767	
21.4.2010	—	3.17	3.14	21.4.2012 to 20.4.2020	3,560,042	—	—	—	(36,324)	3,523,718	
21.4.2010	—	3.17	3.14	21.4.2013 to 20.4.2020	4,746,802	—	—	—	(48,440)	4,698,362	
10.8.2010	—	3.75	3.72	10.8.2011 to 9.8.2020	605,454	—	—	—	—	605,454	
10.8.2010	—	3.75	3.72	10.8.2012 to 9.8.2020	605,454	—	—	—	—	605,454	
10.8.2010	—	3.75	3.72	10.8.2013 to 9.8.2020	807,273	—	—	—	—	807,273	
27.3.2012	—	—	2.69	27.9.2012 to 26.3.2022	10,716,656	—	16,666	(799,999)	—	9,933,323	
27.3.2012	—	—	2.69	27.12.2013 to 26.3.2022	10,716,656	333,333	16,666	(799,999)	—	10,266,656	
27.3.2012	—	—	2.69	27.3.2015 to 26.3.2022	10,716,688	333,334	16,668	(800,002)	—	10,266,688	
28.3.2014	—	—	3.35	28.3.2015 to 27.3.2024	4,650,000	600,000	—	(900,000)	—	4,350,000	
28.3.2014	—	—	3.35	28.3.2016 to 27.3.2024	4,650,000	600,000	—	—	—	5,250,000	
28.3.2014	—	—	3.35	28.3.2017 to 27.3.2024	6,200,000	800,000	—	—	—	7,000,000	
					<u>68,966,735</u>	<u>3,063,762</u>	<u>50,000</u>	<u>(3,723,817)</u>	<u>(121,088)</u>	<u>68,235,592</u>	
No. of exercisable share options										<u>61,235,592</u>	
Weighted average exercise price					<u>HK\$3.01</u>	<u>HK\$3.20</u>	<u>HK\$2.69</u>	<u>—</u>	<u>HK\$2.92</u>	<u>HK\$3.14</u>	<u>HK\$3.02</u>

Notes:

- As a result of the open offer issue of the Company on 22 August 2007 and rights issue on 20 March 2012, the number of share options and the exercise prices have been adjusted in accordance with the requirements of Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005.

2. The closing prices of the Company's shares immediately preceding the date of grant of 28 September 2005, 27 November 2007, 3 August 2009, 21 April 2010, 10 August 2010, 27 March 2012 and 28 March 2014 were HK\$1.43, HK\$6.56, HK\$3.25, HK\$3.15, HK\$3.71, HK\$2.69 and HK\$3.34, respectively.

The vesting period ends on the date the exercisable period of the share options begins.

The vesting period for the share options granted are ranging from one to three years from the date of grant. In addition, for certain share options granted on 21 April 2010, 10 August 2010 and 28 March 2014, they were conditionally granted to certain eligible participants of the Company which were subject to the achievement of the performance targets as determined by the Board.

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise was HK\$6.89 (2015: HK\$4.74).

Share options granted to other participants are measured at fair values of options granted as these other participants are providing services that are similar to those rendered by employees.

### 35. RETIREMENT BENEFIT SCHEMES

#### Retirement benefit scheme contributions

	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Contributions to mandatory provident fund scheme ("MPF Scheme")	1,802	1,919
Contributions to PRC state-managed pension schemes	<u>20,410</u>	<u>21,682</u>
Amount charged to consolidated statement of profit or loss and other comprehensive income	<u>22,212</u>	<u>23,601</u>

The Group ceased to operate the defined contribution scheme which is registered under the Occupational Retirement Scheme Ordinance. The assets of the scheme are held separately from those of the Group in funds under the control of an independent trustee. The Group now only participates in the MPF Scheme for all employees in Hong Kong which is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the Scheme at rate specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the Scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The eligible employees of the Company's subsidiaries in the PRC are members of pension schemes operated by the Chinese local government. The subsidiaries are required to contribute a certain percentage of the relevant cost of the basic payroll of these employees to the pension schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contribution.

**36. OPERATING LEASE ARRANGEMENTS****The Group as lessee**

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
Within one year	12,849	12,529
In the second to fifth year inclusive	<u>50</u>	<u>9,282</u>
	<u><u>12,899</u></u>	<u><u>21,811</u></u>

Leases are negotiated for a term ranged from 1 to 5 years.

**37. COMMITMENTS**

	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
Expenditures contracted for but not provided in the consolidated financial statements in respect of:		
Acquisition of property, plant and equipment and ponies	14,208	14,100
Development expenditure of investment properties under construction (note)	7,737,916	11,456,210
Development expenditure of properties for sale (note)	<u>4,679,941</u>	<u>5,243,773</u>
	<u><u>12,432,065</u></u>	<u><u>16,714,083</u></u>

Note: Future committed capital expenditures to be incurred up to 2018.

**38. RELATED PARTY TRANSACTIONS**

The Group's transactions with related parties are as follows:

	<b>2016</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>
<b>Transactions with related companies in which the ultimate controlling shareholder has beneficial interests:</b>		
— Interest expenses on loan from a related company*	633,012	448,423
— Project management fee income* (note)	3,059	2,623
— Purchase of wine products*	934	1,107
— Purchase of smart phone products*	<u>—</u>	<u>272</u>

\* These transactions constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

During the year, the Group entered into the framework disposal agreement with a company owned indirectly by Mr. Pan (see note 40 for details) which also constituted a connected transaction as defined in Chapter 14A of the Listing Rules.

*Note:*

During the year ended 31 March 2012, Goldin Properties (Construction Management) Limited (“**Goldin Properties (Construction Management)**” or the “**Project Manager**”), a wholly owned subsidiary of the Company, entered into a project management agreement (the “**Project Management Agreement I**”) with Smart Edge Limited (“**Smart Edge**” or the “**Developer**”), a subsidiary of GFHL which is ultimately controlled by Mr. Pan, in respect of the appointment of the Project Manager by the Developer to manage the construction and development of a piece of land parcel located in Hong Kong (the “**Project**”) on behalf of the Developer from 1 November 2011 until the date of settlement of the final account in respect of the Project which was expected to be a date not later than the end of February 2017. The estimated aggregate project management fee paid and payable by the Developer to the Project Manager under the Project Management Agreement I should amount to approximately HK\$11,700,000.

Pursuant to the supplemental agreement entered into during the year ended 31 March 2015, the date of settlement of the final account of the Project is extended to be a date not later than the end of June 2018 and the estimated aggregate project management fee paid and payable by the Developer shall be increased to approximately HK\$14,820,000 accordingly.

During the year, Goldin Properties (Construction Management) entered into another project management agreement (the “**Project Management Agreement II**”) with Smart Edge in respect of the appointment of the Project Manager by the Developer to manage the office and restaurant construction works of the Project on behalf of the Developer from 1 November 2015 until the date of settlement of the final account in respect of the Project which is expected to be a date not later than the end of September 2017. The estimated aggregate project management fee paid and payable by the Developer to the Project Manager under the Project Management Agreement II shall amount to approximately HK\$2,500,000.

Details of the Group’s related party balances are disclosed in the consolidated statement of financial position and respective notes.

**Compensation of key management personnel**

The remuneration of Directors during the year was as follows:

	<b>2016</b>	<b>2015</b>
	<i>HK\$’000</i>	<i>HK\$’000</i>
Short-term benefits	40,509	47,804
Post-employment benefits	<u>272</u>	<u>276</u>
	<u><u>40,781</u></u>	<u><u>48,080</u></u>

The remuneration of Directors is determined by the remuneration committee having regard to the performance of individuals and market trends.

## 39. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2016 and 31 March 2015 are as follows:

Name of subsidiary	Place of incorporation/ registration/ operation	Paid up issued/ registered ordinary share capital	Proportion of equity interests held by the Company				Principal activities
			2016		2015		
			Directly	Indirectly	Directly	Indirectly	
Goldin Properties Group Limited	Hong Kong	HK\$1	100%	—	100%	—	Provision of administrative services
Proman International Limited	Hong Kong	HK\$1	—	100%	—	100%	Investment holding
Goldin Properties (Tianjin) Company Limited	PRC*	RMB5,248,621,842	—	100%	—	100%	Investment holding, property development and investment
Tianjin Huading Real Estate Company Limited	PRC	RMB100,000,000	—	100%	—	100%	Property development
Tianjin Goldin International Club Company Limited	PRC*	US\$173,840,000	100%	—	100%	—	Hotel and polo club operation
Goldin Development (Tianjin) Co., Ltd.	PRC	RMB60,000	—	100%	N/A	N/A	Property investment
Fonde Hotels Group Limited	Hong Kong	HK\$1	—	100%	—	100%	Provision of hotel management services
Goldin Properties Real Estate Agency Limited	Hong Kong	HK\$1	—	100%	—	100%	Provision of sales and marketing services
Metropolo Country Club Management Company Limited	Hong Kong	HK\$1	—	100%	—	100%	Provision of consultancy services on polo club operation
Goldin Metropolitan International Club (Hong Kong) Limited	Hong Kong	HK\$1	—	100%	—	100%	Provision of polo club membership services
Goldin Properties (Construction Management) Limited	Hong Kong	HK\$1	—	100%	—	100%	Provision of project management services

\* These companies were established in the PRC in the form of wholly-owned foreign enterprise.

*Notes:*

- (a) None of the subsidiaries had any debt securities subsisting at 31 March 2016 or at any time during the year.
- (b) The above table lists the subsidiaries of the Company which, in the opinion of the Directors of the Company, principally affected the results of the year or formed a substantial portion of the assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.



#### 40. PROPOSED DISPOSAL OF A SUBSIDIARY

On 16 December 2015, the Company entered into the framework disposal agreement with Goldin Special Situations and 中國信達資產管理股份有限公司北京市分公司 (China Cinda Asset Management Co., Ltd. — Beijing Branch) (“**China Cinda**”), a company established in the PRC with limited liability and an independent third party for the sale of shares of Goldin Development (Tianjin) Co., Ltd. (the “**Target Company**”), a wholly owned subsidiary of the Company, from its immediate holding company, Goldin Properties (Tianjin) Co., Ltd. (“**Goldin Tianjin**”) to 深圳市銀基宏業投資管理有限公司 (Shenzhen Yinji Hongye Investment Management Company Limited) (the “**Investment Company**”), a company established in the PRC and to be jointly controlled by Goldin Special Situations or its nominees and China Cinda or any independent investors to be procured through a partnership fund, for a consideration of RMB18.00 billion (equivalent to approximately HK\$21.59 billion) (the “**Proposed Disposal**”) (the “**Framework Disposal Agreement**”) on completion basis. The Target Company will be the registered and beneficial owners of the properties (the “**Properties**”), which being part of the development constructed by Goldin Tianjin under the mega property development project of the Group in Tianjin, the PRC (“**Goldin Metropolitan**”), are located in the central business district of Goldin Metropolitan after the transfer of the Properties from Goldin Tianjin as contemplated under the terms of the Framework Disposal Agreement, the Local SPA (as defined below) and the transactions contemplated thereunder including the relevant agreements. The Properties which comprise primarily of Goldin Finance 117, a grade A office building, a mega high-end shopping mall and car parking spaces and other ancillary facilities, which are all under construction.

On 1 March 2016, the Company, Goldin Tianjin, the Investment Company, the Target Company and Goldin Special Situations entered into a sale and purchase agreement (the “**Local SPA**”) which sets out additional terms and conditions in relation to the Proposed Disposal and those additional terms and conditions mainly include details on the settlement of the consideration in respect of the Proposed Disposal. Save as these additional terms and conditions, all other major terms and conditions of the Local SPA are substantially the same as those stipulated under the Framework Disposal Agreement.

The Proposed Disposal constitutes a connected transaction as defined in Chapter 14A of the Listing Rules and requires the independent shareholders’ approval at the general meeting of the Company. As at 31 March 2016, the Proposed Disposal was not yet completed and the Proposed Disposal was conditional which was subject to independent shareholders’ approval at the general meeting of the Company to be held on 31 May 2016. On 31 May 2016, the Proposed Disposal has been approved at the general meeting of the Company and upon the completion of the Proposed Disposal, the Target Company will cease to be a subsidiary of the Company.

## 41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

## Statement of financial position of the Company

	As at 31 March	
	2016	2015
	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	227	397
Intangible assets	90	90
Investments in subsidiaries ( <i>note</i> )	3,280,243	2,913,782
Amounts due from subsidiaries	<u>15,693,786</u>	<u>15,905,207</u>
	<u>18,974,346</u>	<u>18,819,476</u>
Current assets		
Other receivables, prepayments and deposits	26	21
Cash and cash equivalents	<u>1,182</u>	<u>1,631</u>
	<u>1,208</u>	<u>1,652</u>
Current liabilities		
Other payables	1,288	1,657
Amount due to a related company	63,201	53,817
Amounts due to subsidiaries	139,839	140,605
Tax payable	<u>1,996</u>	<u>1,996</u>
	<u>206,324</u>	<u>198,075</u>
Net current liabilities	<u>(205,116)</u>	<u>(196,423)</u>
Total assets less current liabilities	<u>18,769,230</u>	<u>18,623,053</u>
Non-current liability		
Loan from a related company	<u>8,508,114</u>	<u>7,473,247</u>
	<u>10,261,116</u>	<u>11,149,806</u>
Capital and reserves		
Share capital	10,949,655	10,925,483
Reserves	<u>(688,539)</u>	<u>224,323</u>
Total equity	<u>10,261,116</u>	<u>11,149,806</u>

*Note:* Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

## Reserve movements of the Company

	Share-based compensation reserve <i>HK\$'000</i>	Equity participant reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2014	191,561	(53,700)	675,193	(294,192)	518,862
Loss for the year	—	—	—	(353,801)	(353,801)
Other comprehensive income for the year	—	—	7,721	—	7,721
Total comprehensive income (expense) for the year	—	—	7,721	(353,801)	(346,080)
Recognition of equity-settled share- based payments	52,175	—	—	—	52,175
Exercise of share options	(634)	—	—	—	(634)
Lapse of share options	(3,575)	—	—	3,575	—
At 31 March 2015	239,527	(53,700)	682,914	(644,418)	224,323
Loss for the year	—	—	—	(468,924)	(468,924)
Other comprehensive expense for the year	—	—	(456,212)	—	(456,212)
Total comprehensive expense for the year	—	—	(456,212)	(468,924)	(925,136)
Recognition of equity-settled share-based payments	21,324	—	—	—	21,324
Exercise of share options	(9,050)	—	—	—	(9,050)
Lapse of share options	(2,744)	—	—	2,744	—
At 31 March 2016	249,057	(53,700)	226,702	(1,110,598)	(688,539)

At 31 March 2016, the Company's distributable reserves consist of accumulated losses of approximately HK\$1,110,598,000 (2015: HK\$644,418,000).

**(B) UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Set out below is financial information of the Group as extracted from the published unaudited consolidated financial statements of the Group for the six months ended 30 September 2016.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 September 2016*

	<i>Notes</i>	<b>Six months ended 30 September</b>	
		<b>2016</b>	<b>2015</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue	3	43,188	57,392
Cost of sales		<u>(17,076)</u>	<u>(23,179)</u>
Gross profit		26,112	34,213
Other income	4	28,259	12,461
Marketing costs		(5,341)	(15,169)
Hotel and polo club other operating expenses		(87,322)	(110,355)
Administrative expenses		(123,377)	(124,042)
Foreign exchange (losses) gains, net		(42,798)	2,717
Finance costs	5	(5,199)	(8,284)
Increase in fair value of investment properties		<u>789,247</u>	<u>779,878</u>
Profit before tax	6	579,581	571,419
Income tax expense	7	<u>(187,847)</u>	<u>(198,980)</u>
Profit for the period attributable to owners of the Company		<u>391,734</u>	<u>372,439</u>
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation and total other comprehensive expense for the period		<u>(762,145)</u>	<u>(518,404)</u>
Total comprehensive expense for the period attributable to owners of the Company		<u>(370,411)</u>	<u>(145,965)</u>
<b>Earnings per share</b>	9		
Basic		<u>10.96 HK cents</u>	<u>10.44 HK cents</u>
Diluted		<u>10.84 HK cents</u>	<u>10.15 HK cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2016

	<i>Notes</i>	<b>30.9.2016</b> <i>HK\$'000</i> (unaudited)	<b>31.3.2016</b> <i>HK\$'000</i> (audited)
<b>Non-current assets</b>			
Property, plant and equipment		2,206,171	2,282,484
Ponies		23,905	29,393
Investment properties	10	9,615,391	22,866,713
Prepaid lease payments		213,162	222,868
Intangible assets		90	90
Deposits paid for acquisition of property, plant and equipment and ponies		<u>17,293</u>	<u>17,353</u>
		<u>12,076,012</u>	<u>25,418,901</u>
<b>Current assets</b>			
Inventories		50,605	56,417
Properties for sale		8,985,454	8,991,019
Prepaid lease payments		5,942	6,127
Trade and other receivables, prepayments and deposits	11	2,476,325	975,029
Amounts due from related companies		2,294	1,498
Cash and cash equivalents		<u>417,394</u>	<u>354,733</u>
		11,938,014	10,384,823
Assets classified as held for sale	20	<u>13,472,235</u>	<u>—</u>
		<u>25,410,249</u>	<u>10,384,823</u>
<b>Current liabilities</b>			
Trade and construction cost payables	12	3,521,198	7,769,691
Other payables and accruals	12	934,926	913,326
Amounts due to related companies		8,697	72,616
Tax payable		597,424	615,576
Bank borrowing	13	52,276	53,906
Entrusted loan — Proposed Disposal	14	6,970,200	—
Other entrusted loan	14	4,647	—
Obligations under finance leases — amount due within one year		<u>99</u>	<u>95</u>
		12,089,467	9,425,210
Deferred income — Proposed Disposal	20	6,970,200	—
Liability directly associated with assets classified as held for sale	20	<u>648,869</u>	<u>—</u>
		<u>19,708,536</u>	<u>69,425,210</u>
<b>Net current assets</b>		<u>5,701,713</u>	<u>3,959,613</u>
<b>Total assets less current liabilities</b>		<u>17,777,725</u>	<u>26,378,514</u>

	<i>Notes</i>	<b>30.9.2016</b> <i>HK\$'000</i> (unaudited)	<b>31.3.2016</b> <i>HK\$'000</i> (audited)
<b>Non-current liabilities</b>			
Bank borrowing	13	91,484	121,287
Other entrusted loan	14	808,543	—
Obligations under finance leases — amount due after one year		17	68
Loan from a related company	15	—	8,508,114
Deferred tax liabilities		<u>908,930</u>	<u>1,414,937</u>
		<u>1,808,974</u>	<u>10,044,406</u>
		<u>15,968,751</u>	<u>16,334,108</u>
<b>Capital and reserves</b>			
Share capital	16	10,949,655	10,949,655
Reserves		<u>5,019,096</u>	<u>5,384,453</u>
<b>Total equity</b>		<u>15,968,751</u>	<u>116,334,108</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

	Attributable to owners of the Company					Total HK\$'000
	Share capital HK\$'000	Share-based compensation reserve HK\$'000	Translation reserve HK\$'000	Equity participant reserve HK\$'000	Retained profits HK\$'000	
At 1 April 2016 (audited)	10,949,655	249,057	7,190	15,942	5,112,264	16,334,108
Profit for the period	—	—	—	—	391,734	391,734
Exchange difference arising on translation	—	—	(762,145)	—	—	(762,145)
Total comprehensive (expense) income for the period	—	—	(762,145)	—	391,734	(370,411)
Recognition of equity- settled share-based payments	—	5,054	—	—	—	5,054
Lapse of share options	—	(69,616)	—	—	69,616	—
<b>At 30 September 2016 (unaudited)</b>	<b>10,949,655</b>	<b>184,495</b>	<b>(754,955)</b>	<b>15,942</b>	<b>5,573,614</b>	<b>15,968,751</b>
At 1 April 2015 (audited)	10,925,483	239,527	946,154	15,942	4,562,895	16,690,001
Profit for the period	—	—	—	—	372,439	372,439
Exchange difference arising on translation	—	—	(518,404)	—	—	(518,404)
Total comprehensive (expense) income for the period	—	—	(518,404)	—	372,439	(145,965)
Recognition of equity- settled share-based payments	—	10,804	—	—	—	10,804
Exercise of share options	4,516	(1,823)	—	—	—	2,693
Lapse of share options	—	(443)	—	—	443	—
<b>At 30 September 2015 (unaudited)</b>	<b>10,929,999</b>	<b>248,065</b>	<b>427,750</b>	<b>15,942</b>	<b>4,935,777</b>	<b>16,557,533</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2016

	Six months ended 30 September	
	2016	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
<b>Operating activities</b>		
Cash (used in) generated from operations	(2,047,363)	687,563
Tax paid	<u>(222)</u>	<u>(577)</u>
Net cash (used in) generated from operating activities	<u>(2,047,585)</u>	<u>686,986</u>
<b>Investing activities</b>		
Instalment received in respect of the deferred income — Proposed Disposal	7,030,800	—
Construction costs paid in respect of investment properties under construction	(3,799,921)	(853,584)
Other cash flows arising from investing activities	<u>(26,555)</u>	<u>(4,035)</u>
Net cash generated from (used in) investing activities	<u>3,204,324</u>	<u>(857,619)</u>
<b>Financing activities</b>		
Loan advanced from a related company	80,288	277,350
Repayment of loan advanced from a related company	(8,591,694)	(81,447)
New entrusted loans raised	7,851,060	—
Other cash flows arising from financing activities	<u>(302,511)</u>	<u>(33,452)</u>
Net cash (used in) generated from financing activities	<u>(962,857)</u>	<u>162,451</u>
Net increase (decrease) in cash and cash equivalents	193,882	(8,182)
Cash and cash equivalents at the beginning of the period	354,733	15,318
Effect of foreign exchange rate changes	<u>(131,221)</u>	<u>(1,908)</u>
Cash and cash equivalents at the end of the period	<u><u>417,394</u></u>	<u><u>5,228</u></u>



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 September 2016*

**1. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The interim results have been reviewed by the audit committee of the Company (the “**Audit Committee**”) and was authorised to issue by the Board on 24 November 2016.

The financial information relating to the year ended 31 March 2016 that is included in this interim report 2016 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 March 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

**2. PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2016 are the same as those followed in the preparation of the Group’s annual audited financial statements for the year ended 31 March 2016.

**Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at fair values in accordance with the respective measurement method for investment properties of the Group followed in the preparation of the Group’s annual audited financial statements for the year ended 31 March 2016.

During the Period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE AND SEGMENT INFORMATION

	Six months ended 30 September	
	2016	2015
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Sales of properties	6,533	27,149
Hotel operation	18,069	8,338
Advertising, VIP Box and ticketing income from polo tournaments	14,369	17,246
Polo club membership income	2,307	3,401
Project management fee	1,910	1,258
	<u>43,188</u>	<u>57,392</u>

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

	Six months ended 30 September							
	Property development		Property investment		Hotel and polo club operation		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue								
External revenue	8,443	28,407	—	—	34,745	28,985	43,188	57,392
Inter-segment revenue	—	—	—	—	2,695	—	2,695	—
Segment revenue	<u>8,443</u>	<u>28,407</u>	<u>—</u>	<u>—</u>	<u>37,440</u>	<u>28,985</u>	<u>45,883</u>	<u>57,392</u>
Segment (loss) profit	<u>(17,691)</u>	<u>(572)</u>	<u>783,928</u>	<u>771,191</u>	<u>(85,358)</u>	<u>(121,971)</u>	680,879	648,648
Interest income							711	16
Unallocated corporate expenses							(96,810)	(68,961)
Finance costs							<u>(5,199)</u>	<u>(8,284)</u>
Profit before tax							<u>579,581</u>	<u>571,419</u>

The following is an analysis of the Group's assets by reportable and operating segments:

	<b>30.9.2016</b> <i>HK\$'000</i> (unaudited)	<b>31.3.2016</b> <i>HK\$'000</i> (audited)
Property development	10,691,513	9,904,480
Property investment	23,798,349	22,896,245
Hotel and polo club operation	<u>2,522,136</u>	<u>2,622,099</u>
Total segment assets	37,011,998	35,422,824
Total unallocated assets	<u>474,263</u>	<u>380,900</u>
Group's total assets	<u><u>37,486,261</u></u>	<u><u>35,803,724</u></u>
<b>4. OTHER INCOME</b>		
	<b>Six months ended 30 September</b>	<b>2015</b>
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Interest received on bank deposits	711	16
Government grants	26,802	12,363
Others	<u>746</u>	<u>82</u>
	<u><u>28,259</u></u>	<u><u>12,461</u></u>
<b>5. FINANCE COSTS</b>		
	<b>Six months ended 30 September</b>	<b>2015</b>
	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (unaudited)
Interest on:		
— Finance leases	5	10
— Bank borrowing	5,194	8,274
— Entrusted loans	18,409	—
— Loan from a related company	<u>189,353</u>	<u>306,139</u>
	212,961	314,423
Less: Amount capitalised in investment properties under construction	(2,078)	(235,727)
Amount capitalised in investment properties under construction which are classified as held for sale	(159,976)	—
Amount capitalised in properties for sale	<u>(45,708)</u>	<u>(70,412)</u>
	<u><u>5,199</u></u>	<u><u>8,284</u></u>

*Note:* All capitalised finance costs are related to specific borrowings.

**6. PROFIT BEFORE TAX**

	<b>Six months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Profit before tax has been arrived at after charging:		
Amortisation of prepaid lease payments	2,997	3,162
Depreciation of property, plant and equipment	45,572	49,352
Depreciation of ponies	<u>4,621</u>	<u>5,144</u>

**7. INCOME TAX EXPENSE**

	<b>Six months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
The income tax expense comprises:		
Current tax		
— PRC Enterprise Income Tax	21	1,872
— PRC Land Appreciation Tax	<u>593</u>	<u>2,139</u>
Deferred tax	614	4,011
	<u>187,233</u>	<u>194,969</u>
	<u>187,847</u>	<u>198,980</u>

No provision for Hong Kong Profits Tax has been made as the group companies operating in Hong Kong do not have any assessable profits for both periods.

For the six months ended 30 September 2016, the relevant tax rate for the Company's subsidiaries in the PRC is 25% (30 September 2015: 25%).

The provision of the PRC Land Appreciation Tax is calculated according to the requirements set forth in the relevant PRC tax laws and regulations. The PRC Land Appreciation Tax has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

**8. DIVIDENDS**

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2016 (30 September 2015: Nil).

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	<b>Six months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<u>391,734</u>	<u>372,439</u>
	<b>2016</b>	<b>2015</b>
	<i>Number of</i>	<i>Number of</i>
	<i>shares</i>	<i>shares</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,572,765,513	3,567,846,720
Effect of dilutive potential ordinary shares:		
— Share options	<u>40,436,540</u>	<u>101,794,466</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>3,613,202,053</u>	<u>3,669,641,186</u>

The computation of diluted earnings per share for the six months ended 30 September 2016 did not assume the exercise of certain of the Company's share options as the exercise price was higher than the average market price per share.

## 10. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
At 1 April 2015 (audited)	21,027,933
Exchange realignment	(870,004)
Construction cost incurred and capitalised expenditure	2,222,103
Increase in fair value recognised in profit or loss	<u>486,681</u>
At 31 March 2016 and 1 April 2016 (audited)	22,866,713
Exchange realignment	(540,189)
Transfer to assets classified as held for sale ( <i>Note 20</i> )	(13,169,860)
Construction cost incurred and capitalised expenditure	3,336
Increase in fair value recognised in profit or loss	<u>455,391</u>
<b>At 30 September 2016 (unaudited)</b>	<u><u>9,615,391</u></u>

The fair values of the Group's investment properties at 30 September 2016 and 31 March 2016 have been arrived at on the basis of valuation carried out on these dates by Savills Valuation and Professional Services Limited, an independent qualified professional valuer not connected with the Group, who has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

In estimating the fair values of the Group's investment properties, the highest and best use of the properties is their current use.

The valuation of the Group's investment properties under construction is determined with reference to the fair value of the bare land plus construction costs incurred. The fair value of the bare land has been arrived at by adopting the comparison approach and making reference to the market transactions as available in the markets, with adjustments made to account for various factors including geographical location of the properties, availability of transportation system and public facilities and the estimated development period of the Group's investment properties under construction. The valuer has also determined on the basis that the Group's investment properties under construction will be developed and completed in accordance with the latest development proposals and taken into account the construction costs that will be expended to complete the development as well as developer's profit margin to reflect the quality of the completed development.

There were no changes to the valuation techniques during the Period.

All of the Group's property interests held under operating leases to earn rentals purpose are measured using the fair value model and are classified and accounted for as investment properties.

All of the Group's investment properties are under construction and located on leasehold lands in the PRC.

On 15 April 2016, being part of the arrangement related to the Proposed Disposal (as defined in note 20), the Group, the First Bank (as defined in note 14) and the Investment Company (as defined in note 20) entered into a pledge agreement (the "**First Pledge Agreement**") in relation to the pledge of certain investment properties of the Group comprising Goldin Finance 117, six grade A office buildings, twin tower — north tower, a mega high-end shopping mall, car parking spaces and other ancillary facilities (collectively known as the "**Development**") as collateral over the Entrusted Loan A (as defined in note 14) provided by the First Bank to the Group from the Investment Company. The Entrusted Loan A were used to repay loans of the Group in relation to the development of Goldin Metropolitan project (as defined in note 20) of the Group at the amount of RMB6 billion.

On 15 April 2016, being part of the arrangement related to the Proposed Disposal, the Group, the second bank and the Partnership Fund (as defined in note 20) entered into another pledge agreement (the "**Second Pledge Agreement**") in relation to the second pledge of the Development for the entrusted loan provided by the second bank from the Partnership Fund to the Investment Company (the "**Investment Company Loan**") as collateral over the part of the consideration at the amount of RMB6 billion in relation to the Proposed Disposal.

The pledge of the Development would be released upon the completion of the Proposed Disposal. As at 30 September 2016, the fair value of the Development is RMB14,541,178,000 (equivalent to HK\$16,892,487,000), in which Properties of RMB11,597,000,000 (equivalent to HK\$13,472,235,000) at fair value were classified as held for sale (defined as the "Properties" in note 20) and the remaining continued to be recognised under the heading of investment properties of the Group to the condensed consolidated financial statements.

**11. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS**

	<b>30.9.2016</b>	<b>31.3.2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
Trade receivables	776,940	797,405
Other receivables and prepayments	1,688,508	167,011
Deposits	<u>10,877</u>	<u>10,613</u>
<b>Total trade and other receivables, prepayments and deposits</b>	<b><u>2,476,325</u></b>	<b><u>975,029</u></b>

As at 30 September 2016, included in trade and other receivables, prepayments and deposits of the Group are trade receivables (net of allowance for doubtful debts) of HK\$776,940,000 (31 March 2016: HK\$797,405,000), of which HK\$776,596,000 (31 March 2016: HK\$796,604,000) are to be settled based on the terms of sales and purchase agreements of completed properties for sale. The Group allows an average credit period of 60 days to its customers for certain services rendered by the Group. The Group's trade receivables net of allowance for doubtful debts from hotel and polo club operation based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates, was within the age of 60 days.

As at 30 September 2016, the balance of other receivables and prepayments mainly represented the prepayments for construction materials of HK\$1,540,210,000 (31 March 2016: HK\$42,099,000).

All the trade receivables are not impaired and the Group maintains a defined credit policy to assess the credit quality of each counterparty. The collection is closely monitored to minimise any credit risk associated with these trade debtors.

**12. TRADE AND CONSTRUCTION COST PAYABLES, OTHER PAYABLES AND ACCRUALS**

An aged analysis of trade payables, presented based on the invoice date, at the end of the reporting period is set out as follows:

	<b>30.9.2016</b>	<b>31.3.2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
0-90 days	<u>132,922</u>	<u>409,916</u>
<b>Total trade payables</b>	<b>132,922</b>	<b>409,916</b>
Construction cost payables	1,629,867	5,663,142
Retention payables	<u>1,758,409</u>	<u>1,696,633</u>
<b>Trade and construction cost payables</b>	<b><u>3,521,198</u></b>	<b><u>7,769,691</u></b>
Dividend payable	1,102	1,102
Other payables	462,492	454,186
Deposit received in advance	409,080	392,706
Polo club membership fees received in advance	61,250	64,173
Others	<u>1,002</u>	<u>1,159</u>
<b>Other payables and accruals</b>	<b><u>934,926</u></b>	<b><u>913,326</u></b>
	<b><u>4,456,124</u></b>	<b><u>8,683,017</u></b>

### 13. BANK BORROWING

At 30 September 2016, the Group has an unsecured bank loan in the amount of RMB123,750,000 (equivalent to HK\$143,760,000) (31 March 2016: RMB146,250,000 (equivalent to HK\$175,193,000)). Such bank loan carries interest at market rate of 5.64% (31 March 2016: 5.64%) per annum and is repayable in instalments over a period of 7 years to 2019. The proceed was used to finance the daily operation of hotel and polo club.

During the Period, the Group repaid RMB22,500,000 (equivalent to HK\$26,366,000) (31 March 2016: RMB45,000,000 (equivalent to HK\$54,729,000)) based on the scheduled repayment dates.

### 14. ENTRUSTED LOANS

#### Entrusted loan — Proposed Disposal

During the Period, being part of the arrangement related to the Proposed Disposal, the Group obtained a new bank loan of RMB6,000,000,000 (equivalent to HK\$6,970,200,000) under an entrusted loan arrangement in which the bank (the “**First Bank**”) acted as the trustee on behalf of the Investment Company (the “**Entrusted Loan A**”). The Entrusted Loan A carries interest at fixed rate of 2% per annum and is repayable in 2017 for one year and the amount is therefore classified as current. Pursuant to the interest reimbursement agreement signed between the Group and the Investment Company, the Group’s interest expense arising from the Entrusted Loan A would be fully reimbursed by the Investment Company and therefore it is expected that the net effect of interest expense is zero. The proceeds from the Entrusted Loan A were used for the repayment of loans owed by the Group in relation to the development of the Goldin Metropolitan project of the Group at the amount of RMB6 billion. The Entrusted Loan A was secured by the Development according to the First Pledge Agreement.

#### Other entrusted loan

During the Period, the Group obtained another new bank loan of RMB700,000,000 (equivalent to HK\$813,190,000) under an entrusted loan arrangement in which the bank acted as the trustee on behalf of the entrusting party, which was an independent third party (the “**Entrusted Loan B**”). The Entrusted Loan B carries interest at fixed rate of 7.15% per annum and is repayable in instalments over a period of 3 years to 2019. The proceeds from the Entrusted Loan B were used to finance the payments of construction costs and project development of the Group.

### 15. LOAN FROM A RELATED COMPANY

The Group obtained an unsecured loan facility from a related company, Goldin Special Situations Limited (“**Goldin Special Situations**”), in which Mr. Pan has a beneficial interest, at the principal amount of not more than US\$2 billion (equivalent to HK\$15,513,000,000 (31 March 2016: HK\$15,507,000,000)) which is unsecured, carries interests at a rate of 8% per annum and is repayable on or before 31 December 2017. During the Period, the balance has been fully repaid.



**16. SHARE CAPITAL**

	<b>Number of shares</b>	<b>Share capital HK\$'000</b>
Issued and fully paid:		
At 1 April 2015 (audited)	3,567,747,535	10,925,483
Issue of new shares upon exercise of share options	<u>5,017,978</u>	<u>24,172</u>
<b>At 31 March 2016 and 1 April 2016 (audited) and 30 September 2016 (unaudited)</b>	<b><u>3,572,765,513</u></b>	<b><u>10,949,655</u></b>

**17. SHARE-BASED PAYMENT TRANSACTIONS**

None of the share options were exercised during the Period (31 March 2016: 5,017,978), while 36,023,346 (31 March 2016: 2,183,965) share options were lapsed during the Period.

During the Period, share-based payments in respect of the 2002 Share Option Scheme and the 2012 Share Option Scheme with total amount of HK\$5,054,000 (30 September 2015: HK\$10,804,000) was recognised as an expense.

**18. COMMITMENTS**

As of 30 September 2016, the Group had commitments of approximately HK\$12,497,383,000 (31 March 2016: HK\$12,432,065,000).

For the commitments, the future committed capital expenditures which are to be incurred mainly for properties for sale and investment properties under construction up to 2018 will be HK\$5,019,724,000 (31 March 2016: HK\$4,679,941,000) and HK\$7,361,789,000 (31 March 2016: HK\$7,737,916,000) respectively.

**19. RELATED PARTY TRANSACTIONS**

The Group's transactions with related parties are as follows:

	<b>Six months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
<b>Transactions with related companies in which the ultimate controlling shareholder has beneficial interests:</b>		
— Interest expenses on loan from a related company	189,353	306,139
— Project management fee income	1,910	1,258
— Office rental and management fee expenses	<u>1,108</u>	<u>—</u>

All of these transactions constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Compensation of key management personnel amounted to approximately HK\$15,672,000 (30 September 2015: HK\$18,759,000) for the six months ended 30 September 2016.

**20. PROPOSED DISPOSAL OF A SUBSIDIARY**

On 16 December 2015, the Company entered into the framework disposal agreement with Goldin Special Situations and 中國信達資產管理股份有限公司北京市分公司 (China Cinda Asset Management Co., Ltd. — Beijing Branch) (“**China Cinda**”), a company established in the PRC with limited liability and an independent third party for the sale of shares of Goldin Development (Tianjin) Co., Ltd. (the “**Target Company**”), a wholly owned subsidiary of the Company, from its immediate holding company, Goldin Properties (Tianjin) Co., Ltd. (“**Goldin Tianjin**”) to 深圳市銀基宏業投資管理有限公司 (Shenzhen Yinji Hongye Investment Management Company Limited) (the “**Investment Company**”), a company established in the PRC and to be jointly controlled by Goldin Special Situations or its nominees and China Cinda or any independent investors to be procured through a partnership fund (the “**Partnership Fund**”), for a consideration of RMB18.00 billion (equivalent to approximately HK\$21.59 billion) (the “**Proposed Disposal**”) (the “**Framework Disposal Agreement**”) on completion basis. The Target Company will be the registered and beneficial owners of the properties (the “**Properties**”), which being part of the development constructed by Goldin Tianjin under the mega property development project of the Group in Tianjin, the PRC (“**Goldin Metropolitan**”), are located in the central business district of Goldin Metropolitan after the transfer of the Properties from Goldin Tianjin as contemplated under the terms of the Framework Disposal Agreement, the Local SPA (as defined below) and the transactions contemplated thereunder including the relevant agreements. The Properties which comprise primarily of Goldin Finance 117, a grade A office building, a mega high-end shopping mall and car parking spaces and other ancillary facilities, which are all under construction.

On 1 March 2016, the Company, Goldin Tianjin, the Investment Company, the Target Company and Goldin Special Situations entered into a sale and purchase agreement (the “**Local SPA**”) which sets out additional terms and conditions in relation to the Proposed Disposal and those additional terms and conditions mainly include details on the settlement of the consideration in respect of the Proposed Disposal. Save as these additional terms and conditions, all other major terms and conditions of the Local SPA are substantially the same as those stipulated under the Framework Disposal Agreement.

The Proposed Disposal constitutes a connected transaction as defined in Chapter 14A of the Listing Rules and requires the independent shareholders’ approval at the general meeting of the Company. On 31 May 2016, the Proposed Disposal has been approved at the general meeting of the Company and upon the completion of the Proposed Disposal, the Target Company will cease to be a subsidiary of the Company. The Directors consider that the Proposed Disposal is highly probable and will be completed within one year from the date of the general meeting approving the Proposed Disposal, the Properties and its associated liabilities were therefore classified as held for sale and current as at 30 September 2016. The Properties were presented under property investment segment as at 30 September 2016 and 31 March 2016.

During the Period, the conditions for the first instalment of the consideration were fulfilled and the first instalment of RMB6,000,000,000 (equivalent to HK\$6,970,200,000) was received by Goldin Tianjin from the Investment Company in full and recognised as deferred income to the condensed consolidated statement of financial position as at 30 September 2016.

As at 30 September 2016, the assets and liability classified as current as assets held for sale and liability directly associated with assets classified as held for sale respectively are as follows:

	<b>30.9.2016</b> <i>HK\$</i> (unaudited)
<b>Assets classified as held for sale</b>	
Investment properties	<u>13,472,235</u>
<b>Liability directly associated with assets classified as held for sale</b>	
Deferred tax liabilities	<u>648,869</u>

The fair values of investment properties classified as held for sale were based on the valuation performed by independent qualified professional valuer. Details were set out in note 10.

As at 30 September 2016, the investment properties classified as held for sale, being part of the Development, were pledged as collateral pursuant to the First Pledge Agreement and the Second Pledge Agreement as stated in notes 10 and 14.

## **21. PLEDGE OF ASSETS**

As at 30 September 2016, certain investment properties and properties for sale of the Group with an aggregate carrying values of approximately HK\$23.6 billion (31 March 2016: Nil) have been pledged to secure credit facilities granted to the Group. It was mainly for the arrangement of the transaction of Proposed Disposal during the Period.

### 3. INDEBTEDNESS, CONTINGENCIES AND COMMITMENTS

At the close of business on 31 January 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had the following indebtedness:

**(a) Bank borrowing**

As at 31 January 2017, the bank borrowing of the Group was approximately RMB113 million (equivalent to HK\$128 million). The amount is unsecured and guaranteed by Goldin Properties (Tianjin) Co., Ltd., a wholly-owned subsidiary of the Company.

**(b) Entrusted loan — Proposed Disposal**

As at 31 January 2017, there was a bank loan of RMB6,000 million (equivalent to HK\$6,818 million), being part of the arrangement related to the proposed disposal of Goldin Development (Tianjin) Co., Ltd. (“**Proposed Disposal**”), obtained by the Group under an entrusted loan arrangement in which the bank acted as the trustee on behalf of 深圳市銀基宏業投資管理有限公司 (Shenzhen Yinji Hongye Investment Management Company Limited), the transferee of the Proposed Disposal. The amount is unguaranteed and secured by the development of Goldin Metropolitan project which comprises Goldin Finance 117, six grade A office buildings, twin tower — north tower, a mega high-end shopping mall, car parking spaces and other ancillary facilities.

**(c) Other entrusted loan**

As at 31 January 2017, there was another bank loan of approximately RMB698 million (equivalent to HK\$793 million) obtained by the Group under an entrusted loan arrangement in which the bank acted as the trustee on behalf of the entrusting party, which was an independent third party. The amount is unguaranteed and secured by certain properties under development for sale of the Group.

**(d) Amounts due to related companies**

As at 31 January 2017, amounts due to related companies of the Group were approximately RMB7 million (equivalent to HK\$8 million) and HK\$0.5 million. The amounts are unsecured and unguaranteed.

**(e) Finance leases**

As at 31 January 2017, the Group had outstanding obligations under finance leases of approximately HK\$84,000, which were unguaranteed and secured by the Group's property, plant and equipment with no carrying amount as at 31 January 2017.

Save as disclosed above and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts and liabilities under acceptances, acceptance credits or other similar indebtedness, debentures, mortgages, charges or loans or hire purchase commitments, guarantees or other material contingent liabilities as at the close of business on 31 January 2017.

**4. MATERIAL CHANGE**

The Directors confirm that save for the following matters, there has been no material change in the financial or trading position or outlook of the Group since 31 March 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- (i) the Group recorded a decline in revenue for the ten months period ended 31 January 2017 as compared to that for the year ended 31 March 2016, which was mainly attributable to the decline in recognised revenue from sales of residential properties in Phase One of Fortune Heights being the only residential properties that were launched by the Group during the period;
- (ii) the Group recorded a decline in net profit for the ten months period ended 31 January 2017 as compared to that for the year ended 31 March 2016, which was mainly attributable to the decline in gross profit contributed by the sales of residential properties in Phase One of Fortune Heights during the period; and
- (iii) the anticipated recognition of gains on the Disposal as disclosed in Note 5 of the next section of this Appendix headed "Property Interests and Adjusted Net Asset Value".

## 5. PROPERTY INTERESTS AND ADJUSTED NET ASSET VALUE

The valuation of property interests of the Group as at 31 January 2017 have been conducted by Savills, the independent professional valuer appointed by the Company. The market value of the aforesaid property interests attributable to the Group as at 31 January 2017 was approximately HK\$50,172,191,000 (RMB44,154,000,000) in respect of the following categories of property interests:

	<i>HK\$'000</i>	<i>RMB'000</i>
	<i>(Note 1)</i>	
Property held for owner occupation	153,401	135,000
Property held for operation — Hotel properties	1,249,930	1,100,000
Properties held for sale	6,040,571	5,316,000
Properties held under development		
— Properties under development for sale	19,957,973	17,564,000
— Investment properties (CBD Phase I)	13,644,690	12,008,000
— Investment properties (CBD Phase II and Portion of CBD Phase III)	8,237,039	7,249,000
Property held for future development	<u>888,587</u>	<u>782,000</u>
	<u>50,172,191</u>	<u>44,154,000</u>

Further details of the aforementioned property interests and the corresponding summary of valuation report prepared by Savills are set out in “Appendix III — Property Valuation of the Group” to this Composite Document (“**Valuation Report**”).

By taking into account the effect of fair value gain arising from the valuation of all the above property interests, set out below is the calculation of the Adjusted NAV of the Group:

	<i>HK\$' million</i>
Unaudited consolidated net asset value (“NAV”) of the Group as at 30 September 2016 ( <i>Note 2</i> )	15,968.8
<i>Adjustments:</i>	
— Fair value gain on the aforementioned property interests of the Group as at 31 January 2017 based on the Valuation Report ( <i>Note 3</i> )	17,080.0
— Deferred taxes on fair value gain on the aforementioned property interests of the Group as at 31 January 2017 ( <i>Note 4</i> )	(8,497.9)
— Estimated gain on the Disposal ( <i>Note 5</i> )	<u>401.6</u>
Adjusted NAV	<u>24,952.5</u>
Adjusted NAV per Share ( <i>Note 6</i> )	<u>HK\$7.0</u>

*Notes:*

1. Amounts expressed in RMB have been translated into HK\$ at an exchange rate of RMB1.00 = HK\$1.1363.
2. The amount is extracted from the unaudited condensed consolidated statement of financial position as at 30 September 2016 of section 2(B) of this Appendix II to this Composite Document.
3. The fair value gain represents the excess of market value of the property interests as at 31 January 2017 over their corresponding carrying amount as at 31 January 2017 (representing the book value as at 30 September 2016 plus construction cost incurred during the period from October 2016 to January 2017 less depreciation/amortisation for the period from October 2016 to January 2017, if applicable).
4. Relevant PRC taxes on property interests included enterprise income tax (“EIT”) and land appreciation taxes (“LAT”). Deferred taxes on fair value gain is estimated on the basis that the fair value uplift on all categories of property interests shall be subject to EIT and estimation of LAT was only determined for the surplus of properties which are held for sale. EIT is calculated at tax rate of 25% while LAT is provided at progressive rates from 30% to 60% according to the relevant PRC tax laws and regulations.
5. As disclosed in the circular dated on 13 May 2016, pursuant to the framework disposal agreement signed on 16 December 2015 and the sale and purchase agreement signed on 1 March 2016, the Company has conditionally agreed to procure Goldin Properties (Tianjin) Co. Ltd. (“**Goldin Tianjin**”), to transfer the ownership of the certain properties (the “**Property**”) to Goldin Development (Tianjin) Co., Ltd. (the “**Target Company**”), a wholly owned subsidiary of the Company. Upon completion of the transfer of the Property, the transfer of the entire equity interests of the Target Company from Goldin Tianjin to the Shenzhen Yinji Hongye Investment Management Company Limited (the “**Investment Company**”) will take place and the Investment Company will own the entire interest of the Property. The Investment Company will be beneficially owned as to 50% and 50% by Goldin Special Situations Limited or its nominees and China Cinda Asset Management Co., Ltd — Beijing Branch or any independent investors to be procured through the partnership fund respectively. The consideration for the Disposal shall be RMB18.00 billion (equivalent to HK\$20.45 billion) on completion basis. The Disposal has not been completed as at the Latest Practicable Date. For the purpose of calculation of the Adjusted NAV, the gain on the Disposal is incorporated in the calculation to duly reflect the estimated financial impact on NAV. The estimated gain on the Disposal is arrived at on the basis of the consideration after deducting the fair value of the Property as at 31 January 2017 together with the estimated cost to be incurred for completion and after taking into account the estimated tax payable in accordance with the relevant tax laws in the PRC.
6. The Adjusted NAV per Share is arrived at on the basis of 3,573,129,237 Shares in issue as at the Latest Practicable Date.

*The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this Composite Document received from Savills, an independent valuer, in connection with their opinion of values as at 31 January 2017 of the properties of the Group.*



Savills Valuation and  
Professional Services Limited  
23/F Two Exchange Square  
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The Directors  
Goldin Properties Holdings Limited  
25/F  
Goldin Financial Global Centre  
17 Kai Cheung Road  
Kowloon Bay  
Hong Kong

19 April 2017

Dear Sirs,

## INSTRUCTIONS

In accordance with your instructions for us to value the properties held by Goldin Properties Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such properties as at 31 January 2017 (the “**date of valuation**”) for inclusion in the composite document issued by the Company.

## BASIS OF VALUATION

Our valuation of each of the properties is our opinion of its 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”.



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

Our valuation is prepared in compliance with the requirements set out in Rule 11 of the Codes on Takeovers and Mergers published by the Securities and Futures Commission of Hong Kong, Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

### **PROPERTY CATEGORIZATION AND VALUATION METHODOLOGY**

In valuing the property in Group I which is held by the Group for owner-occupation, and the property in Group II which is held by the Group for operation in the PRC, we have valued the properties by direct comparison approach by making reference to comparable sales transactions as available in the market assuming sales with the benefit of vacant possession.

In valuing the property in Group III, which is held by the Group for sale in the PRC, we have valued the property in its existing state by the direct comparison approach by making reference to comparable sales transactions as available in the market and have also taken into account the fitting-out costs that will be expended.

In valuing the properties in Group IV, which are held by the Group under development in the PRC, we have valued such properties on the basis that they will be developed and completed in accordance with the latest development proposals provided to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. In arriving at our opinion of values, we have adopted the direct comparison approach by making reference to comparable sales transactions as available in the market and have also taken into account the costs that will be expended to complete the developments to reflect the quality of the completed developments.

In valuing the property in Group V, which is held by the Group for future development, we have adopted the direct comparison approach by making reference to comparable market transactions as available in the market.

In valuing the property in Group VI, which is operated by the Group in the PRC, we have assigned no commercial value to the property because it is not transferrable.

### **TITLE INVESTIGATION**

We have been provided with copies of title documents relating to the properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. In the course of our valuation, we have relied to a very considerable extent on the information given by the Group and the legal opinion issued by the Group's PRC legal adviser, Zhong Lun Law Firm (中倫律師事務所), regarding the titles to the properties in the PRC.

**SOURCE OF INFORMATION**

In the course of our valuation, we have relied to a considerable extent on information and accepted advice from the Group on such matters as planning approvals or statutory notices, easements, tenure, particulars of occupancy, development proposals, total and outstanding construction costs, fitting out cost, estimated completion dates, site and floor areas, and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We are also advised by the Group that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

**VALUATION ASSUMPTIONS**

In valuing the properties in the PRC, unless otherwise stated, we have assumed that transferable land use rights of the properties for their respective specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. Unless otherwise stated, we have also assumed that the owners of the properties have good legal titles to the properties and have free and uninterrupted rights to occupy, use, transfer, lease or mortgage the properties for the whole of the unexpired terms as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

**SITE INSPECTION**

We have inspected the exterior and where possible, the interior of the properties. During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report that the properties are free from rot, infestation and any other defects. No tests were carried out on any of the services. We have also not carried out investigations on site to determine the suitability of the ground conditions and the services for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary

expenses or delay will be incurred during the development period. The site inspections were carried out during the period between 4 February 2017 to 7 February 2017 and 13 March 2017 by the following professional valuers:

Dirk Li	China Registered Real Estate Appraiser
Cayman Liu	Senior Valuer, has over 2 years' experience in valuation of properties in PRC
Eileen Sun	Valuer, has over 3 years' experience in valuation of properties in PRC

### POTENTIAL TAX LIABILITIES

For the purpose of compliance with Rule 11.3 of the Codes on Takeovers and Mergers and as advised by the Group, the potential tax liabilities which would arise on the disposal of the properties in the PRC mainly comprise value-added tax and other surcharges at 5.65%; land appreciation tax at progressive rates from 30% to 60%; stamp duty at 0.05% and enterprise income tax at 25%.

As advised by the Group, in respect of property Nos. 1, 2, 6, 7 and 8, the Group has no intention to dispose of those properties and it is unlikely that such potential tax liabilities will be crystallized. For property Nos. 3 to 5, it is likely that the potential tax liabilities will be crystallized upon disposal.

According to our established practice, in the course of our valuation, we have neither verified nor taken into account such tax liabilities.

### CURRENCY

Unless otherwise stated, all money amounts stated are in Renminbi (“RMB”).

We enclose herewith our summary of values and valuation certificate.

Yours faithfully,  
For and on behalf of  
**Savills Valuation and Professional Services Limited**  
**Anthony C. K. Lau**  
*MRICS MHKIS RPS (GP)*  
*Director*

*Note:* Mr. Anthony C. K. Lau is a professional surveyor who has over 24 years' experience in valuation of properties in Hong Kong and the PRC

## SUMMARY OF VALUES

No.	Property	Market value in existing state as at 31 January 2017 (RMB)
<b>Group I — Property held by the Group for owner occupation in the PRC</b>		
1.	Duplex Unit A and Unit B, Block 15, Yangchouwan Garden, Nan'ao Town, Longgang District, Shenzhen, Guangdong Province, PRC	135,000,000
		<b>Sub-total: <u>135,000,000</u></b>
<b>Group II — Property held by the Group for operation in the PRC</b>		
2.	A hotel located on the northern side of Haitai Huake Jiu Road, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC	1,100,000,000
		<b>Sub-total: <u>1,100,000,000</u></b>
<b>Group III — Property held by the Group for sale in the PRC</b>		
3.	Portion of Phase I of Residential Portion of Goldin Metropolitan, Northern side of Haitai Hua Ke Jiu Road and western side of Haitai Internal Ring North Road, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Lot Nos. 08R and 09R)	5,316,000,000
		<b>Sub-total: <u>5,316,000,000</u></b>

No.	Property	Market value in existing state as at 31 January 2017 (RMB)
<b>Group IV — Properties held by the Group under development in the PRC</b>		
4.	Phase II of Residential Portion of Goldin Metropolitan, Haitai Innovation Liu Road and Haitai North and South Avenue, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Lot Nos. 10R, 11R and R)	17,564,000,000
5.	CBD Phase I of Goldin Metropolitan, Haitai Inter Ring Er Road, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Referring to portion of Land Lot Nos. D & E)	12,008,000,000
6.	CBD Phase II and Portion of CBD Phase III of Goldin Metropolitan, Haitai Inter Ring Er Road and Haitai East and West Avenue, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Land Lot Nos. C, G, H and portion of Land Lot Nos. D & E)	7,249,000,000
<b>Sub-total:</b>		<b><u>36,821,000,000</u></b>

No.	Property	Market value in existing state as at 31 January 2017 (RMB)
<b>Group V — Property held by the Group for future development in the PRC</b>		
7.	Portion of CBD Phase III of Goldin Metropolitan, Haitai Inter Ring Er Road and Haitai East and West Avenue, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Remaining portion of Land Lot Nos. D & E)	782,000,000
	<b>Sub-total:</b>	<u>782,000,000</u>
<b>Group VI — Property operated by the Group in the PRC</b>		
8.	Polo Club Park located on the South of Huake Avenue, North of Haitai Innovation Street, East of Haitai Avenue, West of a residential land, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC	No Commercial Value
	<b>Sub-total:</b>	<u>No Commercial Value</u>
	<b>Grand total:</b>	<u><u>44,154,000,000</u></u>

## VALUATION CERTIFICATE

## Group I — Property held by the Group for owner occupation in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
1.	Duplex Unit A, and Unit B, Block 15, Yangchouwan Garden, Nan'ao Town, Longgang District, Shenzhen, Guangdong Province, PRC	<p>Yangchouwan Garden (the “<b>Development</b>”) is a luxury low density residential development located in Nan'ao Town, Shenzhen. The Development is located at the east of Shenzhen. It takes about 70–80 minutes' drive to city centre of Shenzhen; 65–75 minutes' drive to Luohu Checkpoint; and 100–110 minutes' drive to Baoan International Airport from the Development.</p> <p>The property comprises two residential units, one being a duplex unit and one being a simplex unit, of a 2-storey residential block. The property has a total gross floor areas of approximately 527.11 sq.m.. The property was completed in 2010.</p> <p>The land use rights of the property have been granted for a term of 70 years expiring on 28 December 2063 for residential use.</p>	The property is occupied by the Group as residence.	RMB135,000,000

*Notes:*

- (1) Pursuant to two Real Estate Title Certificates Nos. Shen Fang Di Zi Di 6000443921 and 6000443942 issued by the People's Government of Shenzhen, the building ownership of the property with a total gross floor area of approximately 527.11 sq.m. is held by Matsunichi Communication Holdings R&D (Shenzhen) Co., Ltd. (松日通訊控股研發(深圳)有限公司) (“**Matsunichi R&D**”), a wholly-owned subsidiary of the Company, for a term of 70 years expiring on 28 December 2063 for residential use.
- (2) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
  - i. Matsunichi R&D has obtained the Real Estate Title Certificates;
  - ii. the property is free from any mortgages; and
  - iii. Matsunichi R&D is entitled to occupy, use, lease, transfer, mortgage or by other legal means dispose of the building and its underlying land use rights of the property within the land use term.

## Group II — Property held by the Group for operation in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017								
2.	A hotel located on the northern side of Haitai Huake Jiu Road, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC	<p>Goldin Metropolitan (the “<b>Development</b>”) is a high-end integrated property development project, which will be completed by 2017 in phases with a total planned aboveground gross floor area of approximately 1,888,333 sq.m.. The Development’s major elements include the CBD, a luxury residential zone and Tianjin Goldin Metropolitan Polo Club.</p> <p>The Development is located along Haitai North-south Street, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area. The Development is surrounded by residential buildings, university and international school. It takes about 5 to 8 minutes’ drive to Tianjin South Station, about 20 to 25 minutes’ drive to Tianjin Station, about 35 to 45 minutes’ drive to Tianjin Airport and about 20 to 25 minutes’ drive to the city centre of Tianjin from the Development.</p> <p>The property comprises two 5-storey hotel buildings erected on three parcels of land with a total site area of approximately 46,872.20 sq.m.. As advised by the Group, the property was completed in 2011.</p> <p>The property has a total gross floor area of approximately 90,844.12 sq.m., the breakdown of which is as follows:</p>	As at the date of valuation, the property was operated by the Group as a hotel.	RMB1,100,000,000								
			<p><b>Approximate gross floor area</b> (sq.m.)</p> <table border="0"> <tr> <td>Main building</td> <td style="text-align: right;">43,596.43</td> </tr> <tr> <td>Annex building</td> <td style="text-align: right;">12,335.93</td> </tr> <tr> <td>Ancillary facilities at Basement</td> <td style="text-align: right;"><u>34,911.76</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>90,844.12</u></b></td> </tr> </table>	Main building	43,596.43	Annex building	12,335.93	Ancillary facilities at Basement	<u>34,911.76</u>	<b>Total</b>	<b><u>90,844.12</u></b>	
Main building	43,596.43											
Annex building	12,335.93											
Ancillary facilities at Basement	<u>34,911.76</u>											
<b>Total</b>	<b><u>90,844.12</u></b>											
		The land use rights of the property have been granted for a term of 40 years expiring on 7 February 2050 for cultural, sports & entertainment uses.										



Notes:

- (1) Pursuant to three Real Estate Title Certificates issued by the People's Government of Tianjin, the building ownership of the property with a total gross floor area of approximately 90,844.12 sq.m and its underlying land use rights with a total site area of approximately 46,872.20 sq.m. are held by Tianjin Goldin International Club Company Limited (天津高銀國際俱樂部有限公司) (“**Tianjin Goldin International Club**”), a wholly-owned subsidiary of the Company, for a term of 40 years expiring on 7 February 2050 for Cultural, sports & entertainment uses. Details of the said certificates are as follows:

Certificate No.	Site Area (sq.m.)	Gross Floor Area (sq.m.)	Issuance Date
Fang Di Zheng Jin Zi Di 116011500132	32,736.6	69,130.20	21 January 2015
Fang Di Zheng Jin Zi Di 116011500212	7,448.7	5,751.33	26 January 2015
Fang Di Zheng Jin Zi Di 116011500372	<u>6,686.9</u>	<u>15,962.59</u>	3 February 2015
<b>Total</b>	<b><u>46,872.2</u></b>	<b><u>90,844.12</u></b>	

- (2) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- i. the State-owned Land Use Rights Grant Contract is legal, valid and legally binding. All land grant premium have been fully paid;
  - ii. Tianjin Goldin International Club has obtained the Real Estate Title Certificates;
  - iii. the property is free from any mortgages; and
  - iv. Tianjin Goldin International Club is entitled to occupy, use, lease, transfer, mortgage or by other legal means dispose of the buildings and their underlying land use rights of the property within the land use term.

## Group III — Property held by the Group for sale in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
3.	Portion of Phase I of Residential Portion of Goldin Metropolitan, Northern side of Haitai Hua Ke Jiu Road and western side of Haitai Internal Ring North Road, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Lot Nos. 08R and 09R)	<p>Goldin Metropolitan (the “Development”) is a high-end integrated property development project, which will be completed by 2017 in phases with a total planned aboveground gross floor area of approximately 1,888,333 sq.m..</p> <p>The Development’s major elements include the CBD, a luxury residential zone and Tianjin Goldin Metropolitan Polo Club.</p> <p>The Development is located along Haitai North-south Street, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area. The Development is surrounded by residential buildings, university and international school. It takes about 5 to 8 minutes’ drive to Tianjin South Station, about 20 to 25 minutes’ drive to Tianjin Station, about 35 to 45 minutes’ drive to Tianjin Airport and about 20 to 25 minutes’ drive to the city centre of Tianjin from the Development.</p> <p>The residential portion of the Development will be completed in two phases. The property comprises the unsold portion of Phase I of the residential portion of the Development. The property is erected on two parcels of land with a total site area of approximately 162,017.50 sq.m..</p>	As at the date of valuation, the interior fitting out was in progress.	RMB5,316,000,000

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
		As advised by the Group, the property accommodates high-rise apartments, villas, town houses, basement car parks and ancillary facilities. The property has a total gross floor area of approximately 241,921.56 sq.m., the breakdown of which is as follows:		
		<b>Use</b>	<b>Approximate gross floor area sq.m.</b>	
		Apartments	83,307.62	
		Villas	23,634.33	
		Town houses	3,807.29	
		Car parks, bicycle spaces and public area at		
		Basement	129,077.40	
		Ancillary facilities	<u>2,094.92</u>	
		<b>Total</b>	<b><u>241,921.56</u></b>	
		As advised by the Group, the property was completed in 2013 and the interior fitting out is in progress.		
		The land use rights of the property have been granted for a term of 70 years expiring on 17 April 2077 for residential use.		

*Notes:*

- (1) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007074 and its supplementary contract entered into between Tianjin Municipal Land Resources and Housing Administration Bureau (“Party A”) and Tianjin Hi-Tech New Star Property Development Company Limited (天津海泰新星房地產開發有限公司) (“New Star Property”), a wholly-owned subsidiary of the Company, on 20 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of four parcels of land with a total site area of approximately 275,644.20 sq.m. to New Star Property. As advised by the Group, New

Star Property has been renamed as Goldin Properties (Tianjin) Company Limited (“**Goldin Tianjin**”), a wholly-owned subsidiary of the Company, as at the date of valuation. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB903,000,000 (including Land Lot Nos. 08R, 09R, 01C and 01-1C)
Usage	:	Residential and commercial & finance
Land use term	:	Residential: 70 years; and Commercial & finance: 40 years
Total site area	:	275,644.20 sq.m.
Construction density	:	Residential: not exceeding 25%
Greenery rate	:	Residential: not less than 45%

- (2) Pursuant to the Real Estate Title Certificate No. Fang Di Zheng Jin Zi Di 116051400025 issued by the People’s Government of Tianjin on 14 April 2014, the land use rights of Land Lot No. 08R with a site area of approximately 50,160.50 sq.m. have been granted to Goldin Tianjin for a term of 70 years expiring on 17 April 2077 for residential use.
- (3) Pursuant to the Real Estate Title Certificate No. Fang Di Zheng Jin Zi Di 116051400026 issued by the People’s Government of Tianjin on 14 April 2014, the land use rights of Land Lot No. 09R with a site area of approximately 111,857.00 sq.m. have been granted to Goldin Tianjin for a term of 70 years expiring on 17 April 2077 for residential use.
- (4) Pursuant to the Construction Land Planning Permit No. 2007 Yuan Qu Di Zheng 0026 issued by the Planning Office of Tianjin New Technology Industrial Zone (天津新科技產業園區規劃處) on 17 February 2012, a parcel of land with a site area of approximately 162,018.50 sq.m. was permitted for residential use.
- (5) Pursuant to eight Construction Works Planning Permits issued by the Planning Office of Tianjin New Technology Industrial Zone, the total approved construction scale of the property is approximately 341,182.74 sq.m. Details of the said permits are as follows:

No.	Block No.	Permit No.	Construction Scale (sq.m.)		Issuance Date	Lot No.
			Above-ground	Below-ground		
(i)	T2, T3, T4, T5, T6 and Public Building No. 2	No. 2010 Yuan Qu Zhu Zheng 0001	82,567.44	—	26 July 2012	09R
(ii)	B2-2, C-2, A-5, B1-6, B1-7, B-1, B-2, C-3, C-4, E-2, E-3, E-4, E-5, F and TH6	No. 2010 Yuan Qu Zhu Zheng 0002	16,570.76	14,036.50	26 July 2012	09R
(iii)	T1, T7, T8 and Public Building No. 3	No. 2010 Yuan Qu Zhu Zheng 0003	37,564.58	69,964.00	26 July 2012	09R
(iv)	B2-3, B1-5, A-6, B1-8, B-3, C-5, A-7, A-8 and TH5	No. 2010 Yuan Qu Zhu Zheng 0004	6,725.54	5,480.42	26 July 2012	09R
(v)	C-6 and B1-2	No. 2010 Yuan Qu Zhu Zheng 0005	1,388.88	1,165.63	27 July 2012	08R

No.	Block No.	Permit No.	Construction Scale (sq.m.)		Issuance Date	Lot No.
			Above-ground	Below-ground		
(vi)	T12	No. 2010 Yuan Qu Zhu Zheng 0006	11,263.09	36,130.00	27 July 2012	08R
(vii)	D-1, D-2, E-1, A-1, A-2, A-3, A-4, B1- 3 and B1-4	No. 2010 Yuan Qu Zhu Zheng 0007	6,638.80	5,601.47	27 July 2012	08R
(viii)	T9, T10, T11 and Public Building No. 1	No. 2010 Yuan Qu Zhu Zheng 0008	46,085.63	—	27 July 2012	08R
<b>Total</b>			<b><u>208,804.72</u></b>	<b><u>132,378.02</u></b>		

(6) Pursuant to the Construction Works Commencement Permit No. 1212121201008002 issued by Construction and Transportation Bureau of Tianjin Binhai Hi-tech Industrial Development Area (天津濱海高新技術產業開發區建設和交通局) on 6 August 2012, the construction works of Phase 1 of Residential Portion of the Development with a total construction scale of approximately 341,028.16 sq.m. were permitted for commencement.

(7) Pursuant to eight Sale Permits all issued by Tianjin Municipal Land Resources and Housing Administration Bureau, portion of the property with a total gross floor area of approximately 169,581.54 sq.m. was permitted for sale. Details of the said permits are as follows:

No.	Permit No.	Property	Pre-sale Scale Usage		Lot No.	Issuance Date
			(sq.m.)			
(i)	Jin Guo Tu Fang Shou Xu Zi [2013] Di 0405-001	Block No. 11 of Fu Shun Yuan	10,525.09	Residential	08R	6 June 2013
(ii)	Jin Guo Tu Fang Shou Xu Zi [2013] Di 0404-001	Block No. 14 of Fu Shun Yuan	12,490.86	Residential	08R	6 June 2013
(iii)	Jin Guo Tu Fang Shou Xu Zi [2013] Di 0669-001	Block No. 12 of Fu Shun Yuan	14,096.90	Residential	08R	20 August 2013
(iv)	Jin Guo Tu Fang Shou Xu Zi [2013] Di 0670-001	Block No. 13 of Fu Shun Yuan	16,638.86	Residential	08R	20 August 2013
(v)	Jin Guo Tu Fang Shou Xu Zi [2014] Di 0831-001-002	Block Nos. 1 and 2 of Fu Yu Yuan	41,396.90	Residential	09R	11 September 2014

No.	Permit No.	Property	Pre-sale		Lot No.	Issuance Date
			Scale ( <i>sq.m.</i> )	Usage		
(vi)	Jin Guo Tu Fang Shou Xu Zi [2014] Di 0832-001-003	Block Nos. 3, 17 and 18 of Fu Yu Yuan	35,738.11	Residential	09R	11 September 2014
(vii)	Jin Guo Tu Fang Shou Xu Zi [2014] Di 0833-001-003	Block Nos. 4, 29 and 30 of Fu Yu Yuan	32,072.45	Residential	09R	11 September 2014
(viii)	Jin Guo Tu Fang Shou Xu Zi [2014] Di 0830-001	Block No 7 of Fu Yu Yuan	6,622.37	Residential apartment	09R	11 September 2014
<b>Total</b>			<b><u>169,581.54</u></b>			

- (8) Pursuant to eight Construction Works Planning Acceptance Certificates issued by the Planning Office of Tianjin New Technology Industrial Zone, the construction works of Phase 1 of Residential Portion of the Development with a total gross floor area of approximately 341,580.30 sq.m. have been completed. Details of the said certificates are as follows:

No.	Block No.	Certificate No.	Construction Scale ( <i>sq.m.</i> )		Issuance Date	Lot No.
			Above-ground	Below-ground		
(i)	C-6 and B1-2	No. 2013 Yuan Qu Jian Yan Zheng 0009	1,375.12	1,165.63	2 April 2013	08R
(ii)	D-1, D-2, E-1, A-1, A-2, A-3, A-4, B1- 3 and B1-4	No. 2013 Yuan Qu Jian Yan Zheng 0008	6,683.61	5,601.47	2 April 2013	08R
(iii)	T9, T10, T11 and Public Building No. 1	No. 2013 Yuan Qu Jian Yan Zheng 0011	46,337.85	—	18 April 2013	08R
(iv)	T12 and Basement	No. 2013 Yuan Qu Jian Yan Zheng 0015	11,324.34	36,130.00	6 June 2013	08R
(v)	B2-2, C-2, A-5, B1-6, B1-7, B-1, B-2, C- 3, C-4, E-2, E-3, E- 4, E-5, F, TH6	No. 2013 Yuan Qu Jian Yan Zheng 0040	16,512.67	14,036.50	22 October 2013	09R
(vi)	B2-3, B1-5, A-6, A-7, A-8, B1-8, B-3, C- 5, TH5	No. 2013 Yuan Qu Jian Yan Zheng 0037	6,684.35	5,480.42	16 September 2013	09R

No.	Block No.	Certificate No.	Construction Scale (sq.m.)		Issuance Date	Lot No.
			Above-ground	Below-ground		
(vii)	T1, T7, T8, and Public Building No. 3	No. 2013 Yuan Qu Jian Yan Zheng 0052	37,475.07	69,964.00	11 December 2013	09R
(viii)	T2, T3, T4, T5, T6 and Public Building No. 2	No. 2013 Yuan Qu Jian Yan Zheng 0049	82,809.27	—	25 November 2013	09R
<b>Total</b>			<b><u>209,202.28</u></b>	<b><u>132,378.02</u></b>		

- (9) As advised by the Group, the total construction and fitting out cost expended as at the date of valuation was approximately RMB1,796,000,000 and the estimated outstanding construction and fitting out cost for completion of the property will be RMB1,181,000,000. We have taken into account the aforesaid amounts in our valuation.
- (10) The market value of the property as if the interior fitting out completed as at the valuation date is in the sum of RMB7,970,000,000.
- (11) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- i. the State-owned Land Use Rights Grant Contracts and their supplementary contracts are legal, valid and legally binding. All land grant premium have been fully paid;
  - ii. Goldin Tianjin has obtained the Real Estate Title Certificates;
  - iii. Goldin Tianjin has obtained the requisite permits, approvals and certificates for the status of the construction works of the property;
  - iv. the land use rights and portion of the buildings of the property are subject to mortgage; and
  - v. Goldin Tianjin is entitled to occupy, use, lease, mortgage or by other legal means dispose of the buildings and their underlying land use rights of the property within the land use term. After obtaining the consent from the mortgagee, Goldin Tianjin is entitled to dispose of the property.

## Group IV — Properties held by the Group under development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
4.	Phase II of Residential Portion of Goldin Metropolitan, Haitai Innovation Liu Road and Haitai North and South Avenue, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Lot Nos. 10R, 11R and R)	<p>Goldin Metropolitan (the “<b>Development</b>”) is a high-end integrated property development project, which will be completed by 2017 in phases with a total planned aboveground gross floor area of approximately 1,888,333 sq.m.. The Development’s major elements include the CBD, a luxury residential zone and Tianjin Goldin Metropolitan Polo Club.</p> <p>The Development is located along Haitai North-south Street, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area. The development is surrounded by residential buildings, university and international school. It takes about 5 to 8 minutes’ drive to Tianjin South Station, about 20 to 25 minutes’ drive to Tianjin Station, about 35 to 45 minutes’ drive to Tianjin Airport and about 20 to 25 minutes’ drive to the city centre of Tianjin from the Development.</p> <p>The residential portion of the Development will be completed in two phases. The property comprises Phase II of the residential portion of the Development. The property is erected on three parcels of land with a total site area of approximately 332,626.40 sq.m..</p>	The property was under construction as at the date of valuation.	RMB17,564,000,000



No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
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As advised by the Group, the property will accommodate high-rise apartments, villas, basement car parks and ancillary facilities. Upon completion, the property will provide a total gross floor area of approximately 757,364.75 sq.m., the breakdown of which is as follows:

Use	Approximate gross floor area sq.m.
Apartments	443,017.17
Villas	52,152.89
Car parks, bicycle spaces and public area at basement	257,875.91
Ancillary facilities	<u>4,318.78</u>
<b>Total</b>	<b><u>757,364.75</u></b>

As advised by the Group, the property is scheduled to be completed by the end of 2017.

The land use rights of the property have been granted for terms of 70 years expiring on 25 March 2077 and 17 April 2077 for residential use.

*Notes:*

- (1) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007054 and its supplementary contract entered into between Tianjin Municipal Land Resources and Housing Administration Bureau (“**Party A**”) and Tianjin Hi-Tech New Star Investment Company Limited (天津海泰新星投資有限公司) (“**New Star Investment**”), a wholly-owned subsidiary of the Company, on 2 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of four parcels of land with a total site area of approximately 194,276.00 sq.m. to New Star Investment. As advised by the Group, New Star Investment has been merged with Goldin Properties (Tianjin) Company Limited (“**Goldin Tianjin**”), a wholly-owned subsidiary of the Company, during the year ended 31 March 2011. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB422,000,000 (including Lot Nos. 03C, 04C, 06C and 10R)
Usage	:	Residential, cultural entertainment and commercial & finance
Land use term	:	Residential: 70 years; and Cultural entertainment and commercial & finance: 40 years
Total site area	:	194,276.00 sq.m.
Site area of Lot No. 10R	:	104,351.80 sq.m.
Total planned gross floor area of Lot No. 10R	:	128,280.00 sq.m. (including a total gross floor area of approximately 2,200.00 sq.m. for nursery and kindergarten uses)
Construction density of Lot No. 10R	:	Not exceeding 25%
Greenery rate of Lot No. 10R	:	Not less than 45%

- (2) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007055 and its supplementary contract entered into between Tianjin Municipal Land Resources and Housing Administration Bureau (hereinafter referred to as “**Party A**”) and Tianjin Hi-tech Sun Investment Company Limited (天津海泰陽光投資有限公司) (“**Sun Investment**”) on 2 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of three parcels of land with a total site area of approximately 221,045.30 sq.m. to Sun Investment. As advised by the Group, Sun Investment has been merged with Goldin Tianjin during the year ended 31 March 2011. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB760,000,000 (including Lot Nos. 05C, 07C and 11R)
Usage	:	Residential and commercial & finance
Land use term	:	Residential: 70 years; Commercial & finance: 40 years
Total site area	:	221,045.30 sq.m. (including a total site area of approximately 1,500.00 sq.m. for 35 KV of sub-station use and a total site area of approximately 10,000.00 sq.m. for primary school use)
Site area of Lot No. 11R	:	126,847.90 sq.m.
Total planned gross floor area of Lot No. 11R	:	261,991.00 sq.m. (including balcony, attic, ancillary public facilities, a total gross floor area of approximately 1,500 sq.m. for 35 KV of sub-station use and a total gross floor area of approximately 6,000 sq.m. for primary school use)
Construction density of Lot No. 11R	:	Residential: not exceeding 30%
Greenery rate of Lot No. 11R	:	Residential: not less than 45%
Other requirements	:	Site area of approximately 2,000.00 sq.m. of agricultural fair is demanded in ancillary public facilities portion in Lot No. 11R

- (3) Pursuant to the Stated-owned Land Use Rights Grant Contract No. CR2006104 and its supplementary contract entered into between Tianjin Municipal Land Resources and Housing Administration Bureau (“Party A”) and Tianjin Huading Real Estate Company Limited (天津華鼎置業有限公司) (“Tianjin Huading”), a wholly-owned subsidiary of the Company, on 5 February 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of a parcel of land with a site area of approximately 101,428.50 sq.m. to Tianjin Huading. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB148,240,000
Usage	:	Residential
Land use term	:	70 years
Total site area (Lot No. R)	:	101,428.50 sq.m.
Construction plot ratio	:	Not exceeding 1.2 times (including balcony, attic and facilities)
Construction density	:	Not exceeding 25%
Greenery rate	:	Not less than 45%

- (4) Pursuant to three Real Estate Title Certificates all issued by the People’s Government of Tianjin, the land use rights of three parcels of land with a total site area of approximately 332,626.40 sq.m. have been granted to Goldin Tianjin and Tianjin Huading. Details of the said certificates are as follows:

No.	Certificate No.	Site Area (sq.m.)	Land Use Term	Ownership	Issuance Date	Lot No.
(i)	Fang Di Zheng Jin Zi Di 116051400024	104,351.00	70 years expiring on 17 April 2077 for residential use	Goldin Tianjin	9 April 2014	10R
(ii)	Fang Di Zheng Jin Zi Di 116051200025	126,847.40	70 years expiring on 17 April 2077 for residential use	Goldin Tianjin	5 September 2012	11R
(iii)	Fang Di Zheng Jin Zi Di 116051200037	101,428.00	70 years expiring on 25 March 2077 for residential use	Tianjin Huading	24 September 2012	R
<b>Total</b>		<b><u>332,626.40</u></b>				

- (5) Pursuant to three Construction Land Planning Permits all issued by the Planning Office of Tianjin New Technology Industrial District, three parcels of land with a total site area of approximately 332,628.20 sq.m. were permitted for development. Details of the said permits are as follows:

No.	Permit No.	Site Area (sq.m.)	Issuance Date	Lot No.
(i)	2007 Yuan Qu Di Zheng 0014	104,351.80	1 June 2012	10R
(ii)	2007 Yuan Qu Di Zheng 0015	126,847.90	1 June 2012	11R
(iii)	2010 Yuan Qu Di Zheng 0025	<u>101,428.50</u>	24 December 2010	R
<b>Total</b>		<b><u>332,628.20</u></b>		

- (6) Pursuant to ten Construction Works Planning Permits all issued by the Planning Office of Tianjin New Technology Industrial Zone, the total approved construction scale of portion of the property is approximately 752,513.54 sq.m. Details of the said permits are as follows:

No.	Property	Permit No.	Construction Scale (sq.m.)		Issuance Date	Lot No.
			Above-ground	Below-ground		
(i)	Tower Building and Basement, Land Lot No. 10R of Residential West District	2014 Yuan Qu Zhu Zheng 0002	81,408.34	49,644.79	5 May 2014	10R
(ii)	Low-rise, Land Lot No. 10R of Residential West District	2014 Yuan Qu Zhu Zheng 0003	19,024.07	23,706.93	5 May 2014	10R
(iii)	High-rise, Land Lot No. 10R of Residential West District	2014 Yuan Qu Zhu Zheng 0001	22,851.43	—	5 May 2014	10R
(iv)	Low-rise, Land Lot No. R of Residential District	2014 Yuan Qu Zhu Zheng 0004	16,211.82	20,384.28	9 June 2014	R
(v)	High-rise, Land Lot No. R of Residential District	2014 Yuan Qu Zhu Zheng 0005	40,292.64	—	18 August 2014	R
(vi)	Tower Building and Basement, Land Lot No. R of Residential District	2014 Yuan Qu Zhu Zheng 0006	45,070.04	48,832.43	9 September 2014	R
(vii)	Facilities and public buildings, Land Lot No. R of Residential District	2014 Yuan Qu Zhu Zheng 0007	20,139.50	—	26 September 2014	R
(viii)	Tower Building and Basement, Land Lot No. 11R of Residential District	2014 Yuan Qu Zhu Zheng 0008	181,457.23	95,940.06	30 October 2014	11R

No.	Property	Permit No.	Construction Scale (sq.m.)		Issuance Date	Lot No.
			Above-ground	Below-ground		
(ix)	High-rise, Land Lot No. 11R of Residential District	2014 Yuan Qu Zhu Zheng 0009	52,323.61	—	21 November 2014	11R
(x)	Low-rise, Land lot No. 11R of Residential District	2015 Yuan Qu Zhu Zheng 0001	15,858.95	19,367.42	14 April 2015	11R
<b>Total</b>			<b><u>494,637.63</u></b>	<b><u>257,875.91</u></b>		

(7) Pursuant to the Construction Works Commencement Permit Nos. 12121021201207003 and 12121021201207002 issued by Construction and Transportation Bureau of Tianjin Binhai Hi-tech Industrial Development Area (天津濱海高新技術產業開發區建設和交通局) on 4 July 2012, the piling work for the property was permitted for commencement and the total approved construction scale is approximately 273,565.00 sq.m..

(8) Pursuant to three Construction Works Commencement Permits issued by Construction and Transportation Bureau of Tianjin Binhai Hi-tech Industrial Development Area (天津濱海高新技術產業開發區建設和交通局), the construction works of the property with a construction scale of approximately 763,940.62 sq.m. were permitted for commencement. Details of the said permits are as follows:

No.	Permit No.	Construction Scale (sq.m.)		Issuance Date	Lot No.
		Above-ground	Below-ground		
(i)	No. 1212111201308002 (Zhengqian)	255,491.00	116,598.73	9 August 2013	11R
(ii)	No. 1212111201308003 (Zhengqian)	126,280.00	74,642.98	9 August 2013	10R
(iii)	No. 1212111201308004 (Zhengqian)	121,714.20	69,213.71	9 August 2013	R
<b>Total</b>		<b><u>503,485.20</u></b>	<b><u>260,455.42</u></b>		

- (9) Pursuant to three Construction Works Commencement Permits all issued by Construction and Transportation Bureau of Tianjin Binhai Hi-tech Industrial Development Area, the construction works of the property with a total construction scale of approximately 732,374.04 sq.m. were permitted for commencement. Details of the said permits are as follows:

No.	Permit No.	Construction Scale (sq.m.)		Issuance Date	Lot No.
		Above-ground	Below-ground		
(i)	No. 12121021201408001	123,283.84	73,351.72	6 August 2014	10R
(ii)	No. 12121091201409001	101,574.50	69,216.71	22 September 2014	R
(iii)	No. 211212015051201121	<u>249,639.79</u>	<u>115,307.48</u>	12 May 2015	11R
<b>Total</b>		<b><u>474,498.13</u></b>	<b><u>257,875.91</u></b>		

- (10) As advised by the Group, the total construction cost expended as at the date of valuation was approximately RMB3,620,000,000 and the estimated outstanding construction cost for completion of the property will be RMB7,178,000,000. We have taken into account the aforesaid amounts in our valuation.
- (11) The market value of the property as if completed as at the date of valuation is in the sum of RMB33,800,000,000.
- (12) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- i. the State-owned Land Use Rights Grant Contracts and their supplementary contracts are legal, valid and legally binding. All land grant premium have been fully paid;
  - ii. Goldin Tianjin and Tianjin Huading have obtained the Real Estate Title Certificates;
  - iii. Goldin Tianjin and Tianjin Huading have obtained the requisite permits, approvals and certificates for the status of the construction works of the property;
  - iv. the land use rights and portion of the buildings of the property are subject to mortgage; and
  - v. Goldin Tianjin and Tianjin Huading are entitled to occupy, use, lease, mortgage or by other legal means dispose of the buildings and their underlying land use rights of the property within the land use term. After obtaining the consent from the mortgagee, Goldin Tianjin and Tianjin Huading are entitled to dispose of the property.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
5.	CBD Phase I of Goldin Metropolitan, Haitai Inter Ring Road, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Referring to portion of Land Lot Nos. D & E)	<p>Goldin Metropolitan (the “<b>Development</b>”) is a high-end integrated property development project, which will be completed by 2017 in phases with a total planned aboveground gross floor area of approximately 1,888,333 sq.m.. The Development’s major elements include the CBD, a luxury residential zone and Tianjin Goldin Metropolitan Polo Club.</p> <p>The Development is located along Haitai North-south Street, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area. The Development is surrounded by residential buildings, university and international school. It takes about 5 to 8 minutes’ drive to Tianjin South Station, about 20 to 25 minutes’ drive to Tianjin Station, about 35 to 45 minutes’ drive to Tianjin Airport and about 20 to 25 minutes’ drive to the city centre of Tianjin from the Development.</p> <p>The CBD portion of the Development will be completed in three phases. The property comprises Phase I of the CBD portion of the Development which is erected on portion of a parcel of land with a site area of approximately 183,782.70 sq.m..</p>	As at the date of valuation, the property was under construction.	RMB12,008,000,000

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
		<p>The property will accommodate a 117-storey office/hotel building (“<b>Goldin Finance 117</b>”), a 37-storey grade-A office building, a 6-level (including basements) shopping mall and four 2-storey stand-alone retail buildings, basement car parks and ancillary facilities. Upon completion, the property will provide a total gross floor area of approximately 846,943 sq.m., the breakdown of which is as follows:</p>		
			<b>Approximate gross floor area sq.m.</b>	
		Goldin Finance 117	369,380	
		Grade A office	72,172	
		Retail	112,377	
		Car parks, bicycle spaces, and public area at basement	291,895	
		Others	<u>1,119</u>	
		<b>Total</b>	<b><u><u>846,943</u></u></b>	

As advised by the Group, the property is scheduled to be completed by the end of 2017.

The land use rights of the property have been granted for a term of 40 years expiring on 17 April 2047 for business & finance uses.



*Notes:*

- (1) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007074 and its supplementary contract entered into between Tianjin Municipal Land Resources and Housing Administration Bureau (“**Party A**”) and Tianjin Hi-Tech New Star Property Development Company Limited (天津海泰新星房地產開發有限公司) (“**New Star Property**”), a wholly-owned subsidiary of the Company, on 20 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of four parcels of land with a total site area of approximately 275,644.20 sq.m. to New Star Property. As advised by the Group, New Star Property has been renamed as Goldin Properties (Tianjin) Company Limited (“**Goldin Tianjin**”), a wholly-owned subsidiary of the Company. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB903,000,000 (including Land Lot Nos. 08R, 09R, 01C and 01-1C)
Usage	:	Residential and commercial & finance
Land use term	:	Residential: 70 years; Commercial and finance: 40 years
Total site area	:	275,644.20 sq.m.
Site area of Lot Nos. 01C & 01-1C	:	113,625.70 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%

- (2) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007054 and its supplementary contract entered into between Party A and Tianjin Hi-Tech New Star Investment Company Limited (天津海泰新星投資有限公司) (“**New Star Investment**”), a wholly-owned subsidiary of the Company, on 2 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of four parcels of land with a total site area of 194,276.00 sq.m. to New Star Investment. As advised by the Group, New Star Investment has been merged with Goldin Tianjin during the year ended 31 March 2011. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB422,000,000 (including Lot Nos. 03C, 04C, 06C and 10R)
Usage	:	Residential, culture entertainment and commercial & finance
Land use term	:	Residential: 70 years; and Cultural entertainment and commercial & finance: 40 years
Total site area	:	194,276.00 sq.m. (including a total site area of approximately 2,200.00 sq.m. for nursery and kindergarten use)
Total site area of Lot Nos. 03C, 04C & 06C	:	87,724.20 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%
Others	:	Except for the standard rule, Lot No. 04C needs to provide extra 250 car parking spaces

- (3) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007055 and its supplementary contract entered into between Party A and Tianjin Hi-Tech Sun Investment Company Limited (天津海泰陽光投資有限公司) (“Sun Investment”), a wholly-owned subsidiary of the Company, on 2 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of three parcels of land with a total site area of approximately 221,045.30 sq.m. to Sun Investment. As advised by the Group, Sun Investment has been merged with Goldin Tianjin during the year ended 31 March 2011. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB760,000,000 (including Land Lot Nos. 05C, 07C and 11R)
Usage	:	Residential and commercial & finance
Land use term	:	Residential: 70 years; and Commercial and finance: 40 years
Total site area	:	221,045.30 sq.m. (including a total site area of approximately 1,500.00 sq.m. for 35 KV of substation use and site area of approximately 10,000.00 sq.m. for primary school use)
Site area of Lot Nos. 05C & 07C	:	82,697.40 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%
Other requirements	:	A telecommunication bureau with a total gross floor area of approximately 5,000.00 sq.m. is required in Lot No. 07C

- (4) Pursuant to the Real Estate Title Certificate No. Fang Di Zheng Jin Zi Di 116051200045 issued by the People’s Government of Tianjin, the land use rights of Land Lot No. D & E (formerly Lot No. is 01C, 01-1C, 04C and 05C) with a total site area of approximately 183,782.70 sq.m. have been granted to Goldin Tianjin on 17 October 2012 for a term of 40 years due to expire on 17 April 2047 for business & finance uses.
- (5) Pursuant to the Construction Land Planning Permit No. 2010 Yuan Qu Di Zheng 0022 issued by the Planning Office of Tianjin New Technology Industrial Zone on 1 June 2012, a parcel of land of CBD portion of the Development with a site area of approximately 337,492.40 sq.m. was permitted for commercial and finance uses.
- (6) Pursuant to four Construction Works Planning Permits issued by the Planning Office of Tianjin New Technology Industrial Zone, the total approved construction scale of portion of the Property is approximately 845,824.00 sq.m.. Details of the said permits are as follows:

No.	Permit No.	Construction Scale (sq.m.)	Issuance Date
(i)	No. 2014 Yuan Qu Jian Zheng 0003	72,172.00	17 April 2014
(ii)	No. 2014 Yuan Qu Jian Zheng 0005	6,916.00	13 January 2014
(iii)	No. 2014 Yuan Qu Jian Zheng 0004	349,787.00	13 January 2014
(iv)	No. 2015 Yuan Qu Jian Zheng 0008	<u>416,949.00</u>	15 July 2015
<b>Total</b>		<b><u>845,824.00</u></b>	

- (7) Pursuant to the Construction Works Commencement Permit No. 12121071201107002 issued by Construction, Development and Environmental Protection Bureau of Tianjin Binhai Hi-tech Industrial Development Area (天津濱海高新技術產業開發區建設發展與環境保護局) on 14 July 2011, the piling work of portion of the CBD portion of the development was permitted for commencement and the approved construction scale is approximately 835,600.00 sq.m..

- (8) Pursuant to four Construction Works Commencement Permits issued by Construction, Development and Environmental Protection Bureau of Tianjin Binhai Hi-tech Industrial Development Area (天津濱海高新技術產業開發區建設發展與環境保護局) and Construction and Transportation Bureau of Tianjin Binhai Hi-tech Industrial Development Area (天津濱海高新技術產業開發區建設和交通局), the construction works of portion of the property were permitted for commencement and the approved construction scale is approximately 839,697.00 sq.m.. Details of the said permits are as follows:

No.	Permit No.	Construction Scale (sq.m.)	Issuance Date
(i)	No. 1212181201204001	207,389.50	25 April 2012
(ii)	No. 1212181201208006	136,311.50	20 August 2012
(iii)	No. 12121071201403001	79,047.00	4 March 2014
(iv)	No. 1211212015121801161	416,949.00	18 December 2015
<b>Total</b>		<b>839,697.00</b>	

- (9) Pursuant to the framework disposal agreement signed at 16 December 2015 and the sale and purchase agreement signed at 1 March 2016, the Company has conditionally agreed to procure Goldin Tianjin, to transfer the ownership of the property to Goldin Development (Tianjin) Co., Ltd. (the “**Target Company**”), a wholly owned subsidiary of the Company. Upon Completion of the transfer of the property, the transfer of the entire equity interests of the Target Company from Goldin Tianjin to the Shenzhen Yinji Hongye Investment Management Company Limited (the “**Investment Company**”) will take place and the Investment Company will own the entire interest of the property. The Investment Company will be beneficially owned as to 50% and 50% by Goldin Special Situations Limited or its nominees and China Cinda Asset Management Co., Ltd — Beijing Branch (the “**Second Party**”) or any independent investors to be procured through the partnership fund respectively. The consideration for the disposal shall be RMB18.00 billion on completion basis.
- (10) As advised by the Group, the total construction cost expended as at the date of valuation was approximately RMB7,209,000,000 and the estimated outstanding construction cost for completion of the property will be RMB4,372,000,000. We have taken into account the aforesaid amount in our valuation.
- (11) Having considered the said framework agreement and the sale and purchase agreement as mentioned in Note 9, the market value of the property as if completed as at the valuation date is in the sum of RMB18,000,000,000.
- (12) We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, which contains, *inter alia*, the following information:
- the State-owned Land Use Rights Grant Contracts and their supplementary contracts are legal, valid and legally binding. All land grant premium have been fully paid;
  - Goldin Tianjin has obtained the Real Estate Title Certificates;
  - Goldin Tianjin has obtained the requisite permits, approvals and certificates for the status of the construction works of the property;
  - the land use rights and the construction of the property are subject to mortgage; and
  - Goldin Tianjin is entitled to occupy, use, lease, mortgage or by other legal means dispose of the building and its underlying land use rights of the property within the land use term. After obtaining the consent from the mortgagee, Goldin Tianjin is entitled to dispose of the property.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
6.	CBD Phase II and Portion of CBD Phase III of Goldin Metropolitan, Haitai Inter Ring Road and Haitai East and West Avenue, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Land Lot Nos. C, G, H and portion of Land Lot Nos. D & E)	<p>Goldin Metropolitan (the “<b>Development</b>”) is a high-end integrated property development project, which will be completed by 2017 in phases with a total planned aboveground gross floor area of approximately 1,888,333 sq.m.. The Development’s major elements include the CBD, a luxury residential zone and Tianjin Goldin Metropolitan Polo Club.</p> <p>The Development is located along Haitai North-south Street, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area.</p> <p>The Development is surrounded by residential buildings, university and international school. It takes about 5 to 8 minutes’ drive to Tianjin South Station, about 20 to 25 minutes’ drive to Tianjin Station, about 35 to 45 minutes’ drive to Tianjin Airport and about 20 to 25 minutes’ drive to the city centre of Tianjin from the Development.</p> <p>The CBD portion of the Development will be completed in three phases. The property comprises the developing portion Phase II and Phase III of the CBD portion of the Development. The property is erected on four parcels of land with a total site area of approximately 337,490.60 sq.m..</p>	As at the date of valuation, the property was under construction.	RMB7,249,000,000

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
		As advised by the Group, the property will accommodate retail areas, office areas, exhibition centre, opera theatre, cinema, food court, shopping mall, basement car parks and ancillary facilities. Upon completion, the property will provide a total gross floor area of approximately 1,127,212.17 sq.m., the breakdown of which is as follows:		
		<b>Use</b>	<b>Approximate gross floor area</b>	
			<i>sq.m.</i>	
		Twin tower	153,800.00	
		Retail above ground	57,938.47	
		Special office	20,050.00	
		Convention centre	21,089.00	
		Boutique hotel	26,000.00	
		Serviced apartment	36,000.00	
		O-Show building	11,642.00	
		Headquarters office building	205,029.10	
		Retail at Basement	11,808.00	
		Car parks, bicycle spaces, and public area at Basement	578,407.60	
		Others	<u>5,448.00</u>	
		<b>Total</b>	<b><u>1,127,212.17</u></b>	

As advised by the Group, the property is scheduled to be completed by the end of 2017.

The land use rights of the property have been granted for terms of 40 years expiring on 17 April 2047 and 21 December 2045 for business & finance, cultural entertainment and commercial & service uses. (Please refer to Note (5) for details)

*Notes:*

- (1) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007074 and its supplementary contract entered into between Tianjin Municipal Land Resources and Housing Administration Bureau (“**Party A**”) and Tianjin Hi-Tech New Star Property Development Company Limited (天津海泰新星房地產開發有限公司) (“**New Star Property**”), a wholly-owned subsidiary of the Company, on 20 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of four parcels of land with a total site area of approximately 275,644.20 sq.m. to New Star Property. As advised by the Group, New Star Property has been renamed as Goldin Properties (Tianjin) Company Limited (“**Goldin Tianjin**”), a wholly-owned subsidiary of the Company. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB903,000,000 (including Land Lot Nos. 08R, 09R, 01C and 01-1C)
Usage	:	Residential and commercial & finance
Land use term	:	Residential: 70 years; Commercial and finance: 40 years
Total site area	:	275,644.20 sq.m.
Site area of Lot Nos. 01C & 01-1C	:	113,625.70 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%

- (2) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007054 and its supplementary contract entered into between Party A and Tianjin Hi-Tech New Star Investment Company Limited (天津海泰新星投資有限公司) (“**New Star Investment**”), a wholly-owned subsidiary of the Company, on 2 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of four parcels of land with a total site area of 194,276.00 sq.m. to New Star Investment. As advised by the Group, New Star Investment has been merged with Goldin Tianjin during the year ended 31 March 2011. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB422,000,000 (including Lot Nos. 03C, 04C, 06C and 10R)
Usage	:	Residential, culture entertainment and commercial & finance
Land use term	:	Residential: 70 years; and Cultural entertainment and commercial & finance: 40 years
Total site area	:	194,276.00 sq.m. (including a total site area of approximately 2,200.00 sq.m. for nursery and kindergarten use)
Total site area of Lot Nos. 03C, 04C & 06C	:	87,724.20 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%
Others	:	Except for the standard rule, Lot No. 04C needs to provide extra 250 car parking spaces

- (3) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007055 and its supplementary contract entered into between Party A and Tianjin Hi-Tech Sun Investment Company Limited (天津海泰陽光投資有限公司) (“**Sun Investment**”), a wholly-owned subsidiary of the Company, on 2 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of three parcels of land with a total site area of approximately 221,045.30 sq.m. to Sun Investment. As advised by the Group, Sun Investment has been merged with Goldin Tianjin during the year ended 31 March 2011. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB760,000,000 (including Land Lot Nos. 05C, 07C and 11R)
Usage	:	Residential and commercial & finance
Land use term	:	Residential: 70 years; and Commercial and finance: 40 years
Total site area	:	221,045.30 sq.m. (including a total site area of approximately 1,500.00 sq.m. for 35 KV of substation use and site area of approximately 10,000.00 sq.m. for primary school use)
Site area of Lot Nos. 05C & 07C	:	82,697.40 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%
Other requirements	:	A telecommunication bureau with a total gross floor area of approximately 5,000.00 sq.m. is required in Lot No. 07C

- (4) Pursuant to State-owned Land Use Rights Grant Contract entered into between Party A and Tianjin Hi-Tech Property Development Company Limited (天津海泰房地產開發有限公司) (“**Hi-Tech Property**”) on 22 December 2005, Party A agreed to grant the land use rights of a parcel of land with a site area of approximately 53,445.10 sq.m. to Hi-Tech Property. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	RMB96,810,000
Usage	Commercial and finance
Land use term	40 years
Total site area	53,445.10 sq.m.
Construction density	Not exceeding 50%
Greenery rate	Not less than 30%
Car park	250 car park spaces are required

Pursuant to the supplementary agreement entered into among Tianjin Hi-Tech Goldin Investment Company Limited (天津海泰高銀投資有限公司) (“**Hi-Tech Goldin**”), a wholly-owned subsidiary of the Company, Party A and Hi-Tech Property on 28 October 2008, the land use rights of the above land parcel have been transferred from Hi-Tech Property to Hi-Tech Goldin. As advised by the Group, Hi-Tech Goldin has been merged with Goldin Tianjin during the year ended 31 March 2011.

- (5) Pursuant to four Real Estate Title Certificates all issued by the People's Government of Tianjin, the land use rights of four parcels of land with a total site area of approximately 337,490.60 sq.m. have been granted to Goldin Tianjin. Details of the said certificates are as follows:

No.	Certificate No.	Site Area (sq.m.)	Land Use Term	Issuance	Lot No.	Original Lot No.
			Expiry Date	Date		
(i)	Fang Di Zheng Jin Zi Di 116051200044	21,591.90	40 years expiring on 17 April 2047 for cultural entertainment uses	17 October 2012	C	03C
(ii)	Fang Di Zheng Jin Zi Di 116051200045	183,782.70 <sup>#</sup>	40 years expiring on 17 April 2047 for business & finance uses	17 October 2012	D & E	01C, 01-1C, 04C and 05C
(iii)	Fang Di Zheng Jin Zi Di 116051200043	22,624.70	40 years expiring on 17 April 2047 for commercial & service uses	17 October 2012	G	06C
(iv)	Fang Di Zheng Jin Zi Di 116051200046	109,491.30	40 years expiring on 21 December 2045 for business & finance uses	17 October 2012	H	07C and C
<b>Total</b>		<b><u>337,490.60</u></b>				

<sup>#</sup> As advised by the Group, the property comprises portion of the land of the Real Estate Title certificate Fang Di Zheng Jin Zi Di 116051200045.

- (6) Pursuant to the Construction Land Planning Permit No. 2010 Yuan Qu Di Zheng 0022 issued by the Planning Office of Tianjin New Technology Industrial Zone on 1 June 2012, a parcel of land of CBD portion of the Development with a site area of approximately 337,492.40 sq.m. was permitted for commercial and finance uses.
- (7) Pursuant to four Construction Works Planning Permits issued by the Planning Office of Tianjin New Technology Industrial Zone, the total approved construction scale of portion of the property is approximately 414,404.74 sq.m. Details of the said permits are as follows:

No.	Permit No.	Construction Scale (sq.m.)		Issuance Date
		Above-ground	Below-ground	
(i)	No. 2013 Yuan Qu Jian Bu Shen Zi 0005	76,620.00	6,258.74	22 March 2013
(ii)	No. 2013 Yuan Qu Jian Bu Shen Zi 0006	76,620.00	3,050.00	22 March 2013
(iii)	No. 2013 Yuan Qu Jian Bu Shen Zi 0023	96,350.00	72,614.00	24 December 2013
(iv)	No. 2014 Yuan Qu Jian Bu Shen Zi 0002	<u>30,970.00</u>	<u>51,922.00</u>	17 April 2014
<b>Total</b>		<b><u>280,560.00</u></b>	<b><u>133,844.74</u></b>	



- (8) Pursuant to three Construction Works Planning Permits issued by the Planning Office of Tianjin New Technology Industrial Zone, the total approved construction scale of portion of the property is approximately 494,167.80 sq.m.. Details of the said certificates are as follows:

No.	Permit No.	Construction Scale (sq.m.)		Issuance Date
		Above-ground	Below-ground	
(i)	No. 2014 Yuan Qu Jian Zheng 0027	77,449.00	57,164.00	15 December 2014
(ii)	No. 2014 Yuan Qu Jian Zheng 0028	77,449.00	56,579.00	29 December 2014
(iii)	No. 2015 Yuan Qu Jian Zheng 0001	<u>46,665.00</u>	<u>178,861.80</u>	11 March 2015
<b>Total</b>		<b><u>201,563.00</u></b>	<b><u>292,604.80</u></b>	

As advised by the Group, portion of the property with a gross floor area of approximately 209,928 sq.m. has not obtained Construction Works Planning Permit. Goldin Tianjin will obtain the Construction Works Planning Permit by August 2017.

- (9) Pursuant to the Construction Works Commencement Permit No. 12121071201107002 issued by Construction, Development and Environmental Protection Bureau of Tianjin Binhai Hi-tech Industrial Development Area (天津濱海高新技術產業開發區建設發展與環境保護局) on 14 July 2011, the piling work of portion of the CBD portion of the Development was permitted for commencement and the approved construction scale is approximately 835,600.00 sq.m..
- (10) Pursuant to two Construction Works Commencement Permits both issued by Construction and Transportation Bureau of Tianjin Binhai Hi-tech Industrial Development Area (天津濱海高新技術產業開發區建設和交通局), the construction works of portion of the property were permitted for commencement and the approved construction scale is approximately 491,806.80 sq.m.. Details of the said permits are as follows:

No.	Permit No.	Construction Scale (sq.m.)	Issuance Date
(i)	No. 1212171201409005 (Zhengqian)	266,280.00	28 September 2014
(ii)	No. 1212181201507002 (Zhengqian)	<u>225,526.80</u>	15 July 2015
<b>Total</b>		<b><u>491,806.80</u></b>	

As advised by the Group, the Construction Works Commencement Permit for portion of the property with a gross floor area of approximately 200,465 sq.m. has been in the progress of application for renewal and portion of the property with a gross floor area of approximately 336,531 sq.m. has not obtained the Construction Works Commencement Permit. Goldin Tianjin will obtain the Construction Works Commencement Permits by May and October 2017 respectively.

- (11) As advised by the Group, the total construction cost expended as at the date of valuation was approximately RMB2,560,000,000 and the estimated outstanding construction cost for completion of the property will be RMB10,622,000,000. We have taken into account the aforesaid amount in our valuation.
- (12) The market value of the property as if completed as at the date of valuation is in the sum of RMB22,370,000,000.

- (13) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- i. the State-owned Land Use Rights Grant Contracts and their supplementary contracts are legal, valid and legally binding. All land grant premium have been fully paid;
  - ii. Goldin Tianjin has obtained the Real Estate Title Certificates;
  - iii. referring to note Nos. 8 and 10, there is no legal impediment for Goldin Tianjin to obtain the aforesaid remaining permits. Other than that, Goldin Tianjin has obtained the requisite permits, approvals and certificates for the status of the construction works of the property;
  - iv. portion of the land use rights and the construction of the property located on land lot Nos. D&E are subject to mortgage; and
  - v. Goldin Tianjin is entitled to occupy, use, lease, transfer, mortgage or by other legal means dispose of the building and its underlying land use rights of the property within the land use term. After obtaining the consent from the mortgagee, Goldin Tianjin is entitled to dispose of the portion of property which is subject to mortgage.

## Group V — Properties held by the Group for future development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
7.	Portion of CBD Phase III of Goldin Metropolitan, Haitai Inter Ring East and West Avenue, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC (Remaining portion of Land Lot Nos. D & E)	<p>Goldin Metropolitan (the “Development”) is a high-end integrated property development project, which will be completed by 2017 in phases with a total planned aboveground gross floor area of approximately 1,888,333 sq.m.. The Development’s major elements include the CBD, a luxury residential zone and Tianjin Goldin Metropolitan Polo Club.</p> <p>The Development is located along Haitai North-south Street, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area. The Development is surrounded by residential buildings, university and international school. It takes about 5 to 8 minutes’ drive to Tianjin South Station, about 20 to 25 minutes’ drive to Tianjin Station, about 35 to 45 minutes’ drive to Tianjin Airport and about 20 to 25 minutes’ drive to the city centre of Tianjin from the Development.</p> <p>The CBD portion of the Development will be completed in three phases. The property comprises the vacant site portion of Phase III of the CBD portion of the Development.</p>	As at the date of valuation, the property was a vacant site planned for future development.	RMB782,000,000

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
		As advised by the Group, the property will accommodate office areas, Basement car parks and ancillary facilities. Upon completion, the property will provide a total gross floor area of approximately 189,132.50 sq.m., the breakdown of which is as follows:		
			<b>Approximate gross floor area sq.m.</b>	
		Use		
		Headquarters office building	86,115.50	
		Car parks, bicycle spaces, and public area at Basement	102,042.00	
		Others	<u>975.00</u>	
		<b>Total</b>	<b><u>189,132.50</u></b>	
		The property will be erected on portion of a parcel of land with a site area of approximately 183,782.70 sq.m..		
		The land use rights of the property have been granted for a term of 40 years expiring on 17 April 2047 for business & finance uses.		

*Notes:*

- (1) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007074 and its supplementary contract entered into between Tianjin Municipal Land Resources and Housing Administration Bureau (“**Party A**”) and Tianjin Hi-Tech New Star Property Development Company Limited (天津海泰新星房地產開發有限公司) (“**New Star Property**”), a wholly-owned subsidiary of the Company, on 20 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of four parcels of land with a total site area of approximately 275,644.20 sq.m. to New Star Property. As advised by the Group, New Star Property has been renamed as Goldin Properties (Tianjin) Company Limited (“**Goldin Tianjin**”), a wholly-owned subsidiary of the Company. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB903,000,000 (including Land Lot Nos. 08R, 09R, 01C and 01-1C)
Usage	:	Residential and commercial & finance
Land use term	:	Residential: 70 years; Commercial and finance: 40 years
Total site area	:	275,644.20 sq.m.
Site area of Lot Nos. 01C & 01-1C	:	113,625.70 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%

- (2) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007054 and its supplementary contract entered into between Party A and Tianjin Hi-Tech New Star Investment Company Limited (天津海泰新星投資有限公司) (“**New Star Investment**”), a wholly-owned subsidiary of the Company, on 2 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of four parcels of land with a total site area of 194,276.00 sq.m. to New Star Investment. As advised by the Group, New Star Investment has been merged with Goldin Tianjin during the year ended 31 March 2011. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB422,000,000 (including Lot Nos. 03C, 04C, 06C and 10R)
Usage	:	Residential, culture entertainment and commercial & finance
Land use term	:	Residential: 70 years; and Cultural entertainment and commercial & finance: 40 years
Total site area	:	194,276.00 sq.m. (including a total site area of approximately 2,200.00 sq.m. for nursery and kindergarten use)
Total site area of Lot Nos. 03C, 04C & 06C	:	87,724.20 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%
Others	:	Except for the standard rule, Lot No. 04C needs to provide extra 250 car parking spaces

- (3) Pursuant to the State-owned Land Use Rights Grant Contract No. CR2007055 and its supplementary contract entered into between Party A and Tianjin Hi-Tech Sun Investment Company Limited (天津海泰陽光投資有限公司) (“**Sun Investment**”), a wholly-owned subsidiary of the Company, on 2 March 2007 and 14 June 2009 respectively, Party A agreed to grant the land use rights of three parcels of land with a total site area of approximately 221,045.30 sq.m. to Sun Investment. As advised by the Group, Sun Investment has been merged with Goldin Tianjin during the year ended 31 March 2011. The aforesaid contract contains, inter-alia, the following salient conditions:

Land grant fee	:	RMB760,000,000 (including Land Lot Nos. 05C, 07C and 11R)
Usage	:	Residential and commercial & finance
Land use term	:	Residential: 70 years; and Commercial and finance: 40 years
Total site area	:	221,045.30 sq.m. (including a total site area of approximately 1,500.00 sq.m. for 35 KV of substation use and site area of approximately 10,000.00 sq.m. for primary school use)
Site area of Lot Nos. 05C & 07C	:	82,697.40 sq.m.
Construction density	:	Commercial and finance: not exceeding 50%
Greenery rate	:	Commercial and finance: not less than 30%
Other requirements	:	A telecommunication bureau with a total gross floor area of approximately 5,000.00 sq.m. is required in Lot No. 07C

- (4) Pursuant to the Real Estate Title Certificate No. Fang Di Zheng Jin Zi Di 116051200045 issued by the People’s Government of Tianjin, the land use rights of Land Lot No. D & E (formerly Lot No. is 01C, 01-1C, 04C and 05C) with a total site area of approximately 183,782.70 sq.m. have been granted to Goldin Tianjin on 17 October 2012 for a term of 40 years expiring on 17 April 2047 for business & finance uses.
- (5) Pursuant to the Construction Land Planning Permit No. 2010 Yuan Qu Di Zheng 0022 issued by the Planning Office of Tianjin New Technology Industrial Zone on 1 June 2012, a parcel of land of CBD portion of the Development with a site area of approximately 337,492.40 sq.m. was permitted for commercial and finance uses.
- (6) As advised by the Group, the total construction cost expended as at the date of valuation was approximately RMB7,000,000 and the estimated outstanding construction cost for completion of the property will be RMB1,726,000,000. We have taken into account the aforesaid amount in our valuation.

- (7) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- i. the State-owned Land Use Rights Grant Contracts and their supplementary contracts are legal, valid and legally binding. All land grant premium have been fully paid;
  - ii. Goldin Tianjin has obtained the Real Estate Title Certificate;
  - iii. the land use rights (Land Lot Nos. D&E) of the property is subject to mortgage; and
  - iv. Goldin Tianjin is entitled to occupy, use, lease, mortgage or by other legal means dispose of the land use rights of the property within the land use term. After obtaining the consent from the mortgagee, Goldin Tianjin is entitled to dispose of the property.

## Group VI — Property operated by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2017
8.	Polo Club Park located on the South of Huake Avenue, North of Haitai Innovation Street, East of Haitai Avenue, West of a residential land, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area, Tianjin, PRC	<p>Goldin Metropolitan (the “<b>Development</b>”) is a high-end integrated property development project, which will be completed by 2017 in phases with a total planned aboveground gross floor area of approximately 1,888,333 sq.m.. The Development’s major elements include the CBD, a luxury residential zone and Tianjin Goldin Metropolitan Polo Club.</p> <p>The Development is located along Haitai North-south Street, Huayuan Industrial District (Outer Ring), Binhai Hi-tech Industrial Development Area. The Development is surrounded by residential buildings, university and international school. It takes about 5 to 8 minutes’ drive to Tianjin South Station, about 20 to 25 minutes’ drive to Tianjin Station, about 35 to 45 minutes’ drive to Tianjin Airport and about 20 to 25 minutes’ drive to the city centre of Tianjin from the Development.</p> <p>The property is a polo club park accommodating two polo fields, restaurants, office buildings and other ancillary facilities erected on a parcel of land with a total site area of approximately 860,000 sq.m..</p> <p>As advised by the Group, the property has a total gross floor area of approximately 35,904.00 sq.m.. As advised by the Group, it was completed in between 2010 and 2014.</p> <p>In addition, there is an equestrian stadium being constructed with a total gross floor area of approximately 1,564 sq.m.. As advised by the Group, it is scheduled to be completed by 2017.</p> <p>The land use rights of the property were allocated for a term of 30 years upon the completion of the property for the use of development project of the park.</p>	As at the date of valuation, the property was used by Tianjin Goldin International Club for operation as a polo club park.	No Commercial Value

*Notes:*

- (1) Pursuant to the Land Operation Agreement between the Management Committee of Tianjin Binhai Hi-Tech Industrial Development Zone (天津濱海高新技術產業開發區管委會) (the “**Party A**”) and Tianjin Goldin International Club Company Limited (天津高銀國際俱樂部有限公司) (“**Tianjin Goldin International Club**”), a wholly-owned subsidiary of the Company, Party A agreed to allocate the land use rights of a parcel of land with a site area of approximately 860,000 sq.m. to Tianjin Goldin International Club for a term of 30 years upon the completion of the property for the use of development project of the park.
- (2) We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, which contains, *inter alia*, the following information:
  - i. the Land Operation Agreement is legal, valid and legally binding; and
  - ii. the land use rights of the property is held by Party A, while the building ownership, the construction rights, the operation rights and the income rights are held by Tianjin Goldin International Club. Tianjin Goldin International Club is entitled to occupy, use, operate and usufruct of the property within the contracted term.



*The following is the text of a report prepared for the purpose of incorporation in this Composite Document received from M. Y. Chan & Company, being the consultant accountant of the Company, in connection with its opinion on the Profit Estimate (as defined hereinafter).*



**M. Y. Chan & Company**  
Room C, 22/F  
Wing Cheong Commercial Building  
No. 19–25 Jervois Street  
Sheung Wan  
Hong Kong

The Board of Directors  
Goldin Properties Holdings Limited  
25/F, Goldin Financial Global Centre  
17 Kai Cheung Road  
Kowloon Bay  
Hong Kong

19 April 2017

Dear Sirs,

#### **PROFIT ESTIMATE FOR THE TEN MONTHS ENDED 31 JANUARY 2017**

We refer to the statement that Goldin Properties Holdings Limited (the “**Company**”) and its subsidiaries (collectively with the Company, the “**Group**”) is expected to record a decline in net profit for the ten months period ended 31 January 2017 as compared to that for the year ended 31 March 2016 (the “**Profit Estimate**”) set forth in the section headed “4. Material Change” in Appendix II to the composite offer and response document (the “**Composite Document**”) jointly issued by Silver Starlight Limited and the Company dated 19 April 2017.

#### **DIRECTORS’ RESPONSIBILITIES**

The Profit Estimate has been prepared by the directors of the Company (the “**Directors**”) based on the unaudited consolidated results based on the management accounts of the Group for the ten months ended 31 January 2017. The Directors are solely responsible for the Profit Estimate.

#### **OUR INDEPENDENCE AND QUALITY CONTROL**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **CONSULTANT ACCOUNTANT’S RESPONSIBILITIES**

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Directors have properly compiled the Profit Estimate in accordance with the bases adopted by the Directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

### **OPINION**

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the Directors as set out in the section headed “4. Material Change” in Appendix II to the Composite Document and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the annual report of the Company for the year ended 31 March 2016.

Yours faithfully,

**M. Y. Chan & Company**

*Certified Public Accountants (Practising)*

**Chan Man Yi**

Practising Certificate number P06008

*The following is the text of a report prepared for the purpose of incorporation in this Composite Document received from Goldin Financial in connection with its opinion on the Profit Estimate (as defined hereinafter).*



**GOLDIN FINANCIAL LIMITED**  
**高銀融資有限公司**

**Goldin Financial Limited**  
Suites 2202–2209, 22/F  
Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

The Board of Directors  
Goldin Properties Holdings Limited  
25/F, Goldin Financial Global Centre  
17 Kai Cheung Road  
Kowloon Bay  
Hong Kong

19 April 2017

Dear Sirs,

Reference is made to the composite offer and response document (the “**Composite Document**”) jointly issued by Silver Starlight Limited and Goldin Properties Holdings Limited (the “**Company**”) dated 19 April 2017. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

We refer to the section headed “4. Material Change” in Appendix II to the Composite Document which states that, among others, the Group recorded a decline in net profit for the ten months period ended 31 January 2017 as compared to that for the year ended 31 March 2016, which was mainly attributable to the decline in gross profit contributed by the sales of residential properties in Phase One of Fortune Heights during the period (the “**Profit Estimate**”).

The Profit Estimate constitutes a profit forecast under Rule 10 of the Takeovers Code and must be reported on by the financial adviser and the auditors or consultant accountants of the Company. This report is issued in compliance with the requirement under Rule 10.4 and Note 1 to Rules 10.1 and 10.2 of the Takeovers Code.

We have reviewed the Profit Estimate and other relevant information and documents (in particular, the unaudited consolidated management account of the Group for the ten months ended 31 January 2017 (the “**Management Account**”)) which you as the Directors are solely responsible for and discussed with you and the senior management of the Company the information and documents (in particular, the Management Account) provided by you which formed the key bases (i.e. the Management Account) upon which the Profit Estimate has been made. In respect of the accounting policies and calculations concerned, upon which the Profit Estimate has been made, we have relied upon the report as contained in Appendix IV(A) to the Composite Document addressed to the Board from

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**APPENDIX IV(B) REPORT FROM GOLDIN FINANCIAL ON PROFIT ESTIMATE**

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M. Y. Chan & Company, being the consultant accountant of the Company. M. Y. Chan & Company is of the opinion that so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled with in accordance with the bases made by the Directors and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group.

On the basis of the foregoing, we are of the opinion that the Profit Estimate for which the Directors are solely responsible, has been made with due care and consideration.

Yours faithfully,  
For and on behalf of,  
**Goldin Financial Limited**

**Billy Tang**  
*Director*

## 1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the last Business Day immediately preceding the date of the Initial Announcement; (iii) the Last Trading Day; and (iv) the Latest Practicable Date.

Date	Closing price of Shares (HK\$)
30 September 2016	6.07
31 October 2016	4.99
30 November 2016	5.95
30 December 2016	7.18
27 January 2017	6.87
28 February 2017	6.64
10 March 2017 ( <i>being the last Business Day immediately preceding the date of the Initial Announcement</i> ) (Note)	6.58
27 March 2017 ( <i>being the Last Trading Day</i> ) (Note)	7.88
31 March 2017	8.27
13 April 2017 ( <i>being the Latest Practicable Date</i> )	7.89

*Note:* Trading of Shares was suspended (i) from 13 March 2017 to 20 March 2017 pending the release of the Initial Announcement; and (ii) from 9:00 a.m. on 28 March 2017 until 1:00 p.m. on 29 March 2017 pending the release of the Joint Announcement.

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$8.4 per Share on 30 March 2017 and HK\$4.8 per Share on 7 November 2016, respectively.

## 3. DISCLOSURE OF INTERESTS AND OTHER ARRANGEMENTS

For the purpose of paragraph 3 of this Appendix V, “interested” has the same meaning as ascribed to that term in Part XV of the SFO.

- (a) As at the Latest Practicable Date, save as disclosed in the section headed “6. Shareholding structure of the Company and the Offers” in letter from Optima Capital and in the section headed “3. Disclosure of interests and other arrangements” in “Appendix VI — General Information of the Group”, none of the Offeror, the Offeror’s director, or Offeror Concert Parties had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (b) Save as disclosed in paragraph (a) above, the charge over the Offer Shares as disclosed in the sub-section headed “2. The Offers — Confirmation of financial resources” in the letter from Optima Capital and the Directors Undertakings, as at the Latest Practicable Date:
- (i) the Offeror and/or the Offeror Concert Parties had not received any irrevocable commitment to accept or reject the Offers;
  - (ii) none of the Offeror or the Offeror Concert Parties had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise);
  - (iii) none of the Offeror or the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code including shares, warrants, options, derivatives or convertible securities) in the Company;
  - (iv) there was no benefit given or to be given to any Director as compensation for loss of office or otherwise in connection with the Offers;
  - (v) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or the Offeror Concert Parties and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependent upon the Offers;
  - (vi) there was no agreement or arrangement to which the Offeror was a party which related to circumstances in which the Offeror may or may not invoke or seek to invoke a condition to the Offers;
  - (vii) there was no agreement, arrangement or understanding that the securities acquired in pursuance of the Share Offer would be transferred, charged or pledged to any other persons; and
  - (viii) there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exist between the Offeror or its associate or any Offeror Concert Parties and any other person.

**4. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS**

- (a) During the Relevant Period, Mr. Pan dealt for value in the Shares as set out below:

<b>Date</b>	<b>Purchase/sale</b>	<b>Number of Shares</b>	<b>Highest price per Share (HK\$)</b>
4 January 2017	Purchase	20,000	7.120
21 December 2016	Purchase	54,000	7.000
19 December 2016	Purchase	180,000	7.300
13 December 2016	Purchase	250,000	7.360
24 October 2016	Purchase	40,000	5.410
19 October 2016	Purchase	44,000	5.700
17 October 2016	Purchase	138,000	5.800
3 October 2016	Purchase	14,000	6.120

- (b) Save as disclosed in paragraph (a) above, during the Relevant Period,
- (i) none of the Offeror's director, the Offeror or the Offeror Concert Parties had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
  - (ii) no person had irrevocably committed themselves to accept or reject the Offers;
  - (iii) none of the Offeror or the Offeror Concert Parties had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person; and
  - (iv) none of the Offeror or the Offeror Concert Parties had borrowed or lent the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

## 5. CONSENT AND QUALIFICATIONS OF PROFESSIONAL ADVISER

The following is the name and qualifications of the professional adviser to the Offeror whose letter, opinion or advice is contained or referred to in this Composite Document:

<b>Name</b>	<b>Qualifications</b>
Optima Capital	a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Optima Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice and references to its names in the form and context in which they respectively appear.

As at the Latest Practicable Date, Optima Capital does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## 6. MISCELLANEOUS

- (a) The principal members of the Offeror's concert group include (i) the sole director and sole shareholder of the Offeror (namely Mr. Pan); (ii) Clear Jade (a company beneficially owned as to 100% by Mr. Pan); and (iii) Goldin Group (Investment) (a company beneficially owned as to 100% by Mr. Pan).
- (b) The registered office of the Offeror is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110, BVI.
- (c) Optima Capital is making the Offers for and on behalf of the Offeror and is the financial adviser to the Offeror relating to the Offers. The registered office of Optima Capital is situated at Suite 1501, 15th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.
- (d) The correspondence address of Mr. Pan is 25–27/F, Goldin Financial Global Centre, 17 Kai Cheung Road, Kowloon Bay, Hong Kong.
- (e) The correspondence address of Clear Jade is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI, and its sole director is Mr. Pan.
- (f) The corresponding address of Goldin Group (Investment) is situated at Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tottola, BVI and its sole director is Mr. Pan.
- (g) In the event of inconsistency, the English texts of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts.



## 1. RESPONSIBILITY STATEMENT

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror and the Offeror Concert Parties), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

## 2. SHARE CAPITAL

As at the Latest Practicable Date, the Company had issued share capital of HK\$10,941,172,077.52 and 3,573,129,237 issued Shares.

All Shares in issue rank *pari passu* in all respects regards rights to capital, dividends and voting.

The number of Shares in issue as at 31 March 2016, being the date to which the latest audited financial statements of the Company were made up, was 3,572,765,513 Shares. Since 31 March 2016 and up to the Latest Practicable Date, an aggregate number of 363,724 Shares were allotted and issued upon the exercise of an aggregate of 363,724 options granted under the share option scheme adopted by the Company on 27 August 2002.

As at the Latest Practicable Date, there were 51,381,475 outstanding Options, each giving the Option Holder the right to subscribe for one new Share. As set out in the tables setting out the exercise price applicable to each Option in the sub-section headed “Option Offer” under “6. Shareholding structure of the Company and the Offers” in the “Letter from Optima Capital” in this Composite Document, if any Option is exercised in accordance with the terms of the Share Option Schemes prior to the Closing Date, any Shares issued as a result of the exercise of such Options prior to the Closing Date will be subject to and eligible to participate in the Share Offer. Pursuant to the terms of the Share Option Schemes, if the Share Offer becomes or is declared unconditional in all respects, the Option Holders shall be entitled to exercise the Options in full (to the extent not already exercised) at any time (i) within one (1) month after the date on which the Share Offer becomes or is declared unconditional in all respects; or (ii) by the Closing Date (whichever is the earlier). Any unexercised Options shall lapse automatically upon the expiry of the Offer Period. Save as aforesaid, as at the Latest Practicable Date, there were no other outstanding warrants, options, derivatives, convertibles or other securities in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

### 3. DISCLOSURE OF INTERESTS AND OTHER ARRANGEMENTS

(a) As at the Latest Practicable Date, the interests held by the Directors in the shareholding of the Company interpreted in the manner described in Part XV of the SFO were as follows:

#### (i) Interests in the Shares

Name of Director	Long position/ short position	Capacity	Number of Shares held	Approximate percentage of shareholding <i>(Note 2)</i>
Mr. Pan	Long position	Interests held as beneficial owner and through controlled corporations	2,301,636,998 <i>(Note 1)</i>	64.415%
Mr. Zhou	Long position	Beneficial owner	280,000	0.008%
Mr. Ting	Long position	Beneficial owner	900,000	0.025%

## (ii) Interests in Options

Name of Director	Date of grant	Exercise price per Share HK\$	Exercisable period	Number of underlying Shares held	Approximate percentage of shareholding (Note 2)
Mr. Zhou	3.8.2009	3.2703	3.8.2010 to 2.8.2019	302,727	0.11%
	3.8.2009	3.2703	3.8.2011 to 2.8.2019	302,727	
	3.8.2009	3.2703	3.8.2012 to 2.8.2019	403,636	
	27.3.2012	2.69	27.9.2012 to 26.3.2022	333,333	
	27.3.2012	2.69	27.12.2013 to 26.3.2022	333,333	
	27.3.2012	2.69	27.3.2015 to 26.3.2022	333,334	
	28.3.2014	3.354	28.3.2015 to 27.3.2024	600,000	
	28.3.2014	3.354	28.3.2016 to 27.3.2024	600,000	
	28.3.2014	3.354	28.3.2017 to 27.3.2024	800,000	
			<u>4,009,090</u>		
Mr. Ting	3.8.2009	3.2703	3.8.2011 to 2.8.2019	605,454	0.12%
	3.8.2009	3.2703	3.8.2012 to 2.8.2019	807,272	
	27.3.2012	2.69	27.9.2012 to 26.3.2022	333,333	
	27.3.2012	2.69	27.12.2013 to 26.3.2022	333,333	
	27.3.2012	2.69	27.3.2015 to 26.3.2022	333,334	
	28.3.2014	3.354	28.3.2015 to 27.3.2024	600,000	
	28.3.2014	3.354	28.3.2016 to 27.3.2024	600,000	
	28.3.2014	3.354	28.3.2017 to 27.3.2024	800,000	
				<u>4,412,726</u>	
Mr. Li	3.8.2009	3.2703	3.8.2010 to 2.8.2019	302,727	0.11%
	3.8.2009	3.2703	3.8.2011 to 2.8.2019	302,727	
	3.8.2009	3.2703	3.8.2012 to 2.8.2019	403,636	
	27.3.2012	2.69	27.9.2012 to 26.3.2022	333,333	
	27.3.2012	2.69	27.12.2013 to 26.3.2022	333,333	
	27.3.2012	2.69	27.3.2015 to 26.3.2022	333,334	
	28.3.2014	3.354	28.3.2015 to 27.3.2024	600,000	
	28.3.2014	3.354	28.3.2016 to 27.3.2024	600,000	
	28.3.2014	3.354	28.3.2017 to 27.3.2024	800,000	
			<u>4,009,090</u>		

*Notes:*

- As at the Latest Practicable Date, 171,909,571 Shares were held by Mr. Pan in his personal capacity, 2,011,741,427 Shares were held by Goldin Group (Investment), the immediate holding company of the Company, and 117,986,000 Shares were held by Clear Jade. Clear Jade was 100% owned by Mr. Pan. Goldin Group (Investment) was 100% owned by Goldin Real Estate Financial, the ultimate holding company of the Company, and Goldin Real Estate Financial was 100% owned by Mr. Pan. Accordingly, Mr. Pan was deemed to be interested in 2,011,741,427 Shares held by Goldin Group (Investment) and 117,986,000 Shares held by Clear Jade. Goldin Group (Investment), being the holding company of the Company, is also an associated corporation of the Company within the meaning of Part XV of the SFO.
- As at the Latest Practicable Date, the total number of Shares in issue was 3,573,129,237 Shares.

- (b) As at the Latest Practicable Date, other than Mr. Pan (who is the sole shareholder of the Offeror), neither the Company nor any Director had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror.
- (c) Save as disclosed in (a) above and the Directors' Undertakings, as at the Latest Practicable Date:
  - (i) none of the Directors had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
  - (ii) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group or any advisers to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code but excluding exempt principal traders (as defined under the Takeovers Code) owned or controlled any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
  - (iii) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of "associate" under the Takeovers Code;
  - (iv) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
  - (v) all of the Directors who had a beneficial holding in the Shares or underlying Shares intended to accept the Share Offer and/or the Option Offer in respect of his own beneficial ownership in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and
  - (vi) neither the Company nor any of the Directors had borrowed or lent any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for any borrowed Shares which had been either on-lent or sold.

#### **4. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS**

- (a) Except as disclosed in the section headed "4. Dealings in securities and arrangements in relation to dealings" in "Appendix V — General Information of the Offeror" to this Composite Document, during the Relevant Period, none of the Company nor any Director had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

- (b) Save for the subscription for one share of the Offeror at US dollar 1.00 by Mr. Pan on 8 February 2017, during the Relevant Period, none of the Company nor any Director had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror.
- (c) Save as disclosed in (a) and (b) above, during the Relevant Period:
  - (i) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group or any advisers to the Company as specified in class (2) of the definition of “associate” under the Takeovers Code but excluding exempt principal traders (as defined under the Takeovers Code) had dealt for value in any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
  - (ii) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of “associate” under the Takeovers Code; and
  - (iii) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company, and no such person had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

## 5. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offers;
- (b) there was no agreement or arrangement between any Director and any other person which was conditional or dependent upon the outcome of the Offers or otherwise connected with the Offers (other than the facility agreements and the charge over the Offer Shares as disclosed in the sub-section headed “2. The Offers — Confirmation of financial resources” in the letter from Optima Capital in the Composite Document and the Directors Undertakings); and
- (c) there was no material contract entered into by the Offeror in which any Director (other than the facility agreements as disclosed in the sub-section headed “2. The Offers — Confirmation of financial resources” in the letter from Optima Capital in the Composite Document in which Mr. Pan is interested in his capacity as the sole shareholder of the Offeror) had a material personal interest.

## 6. SERVICE CONTRACTS WITH DIRECTORS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) have been entered into or amended within 6 months prior to the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period.

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) have been entered into by the members of the Group after the date which is two years before the commencement of the Offer Period up to and including the Latest Practicable Date and which are or may be material:

- (a) the framework agreement dated 16 December 2015 entered into between the Company, Goldin Special Situations Limited and 中國信達資產管理股份有限公司北京市分公司(China Cinda Asset Management Co., Ltd — Beijing Branch\*) in respect of the Disposal at a total consideration of RMB18.00 billion (equivalent to approximately HK\$21.59 billion) (the “**Framework Disposal Agreement**”);
- (b) a sale and purchase agreement dated 1 March 2016 and entered into between the Company, Goldin Properties (Tianjin) Co., Ltd. (“**Goldin Tianjin**”), 深圳市銀基宏業投資管理有限公司 (Shenzhen Yinji Hongye Investment Management Company Limited\*) (“**Investment Company**”), 高銀置地(天津)有限公司 (Goldin Development (Tianjin) Co., Ltd.\*) and Goldin Special Situations Limited which supplements the Framework Disposal Agreement by setting out additional terms and conditions in relation to and for the purposes of implementing the Disposal at a total consideration of RMB18.00 billion (equivalent to approximately HK\$21.59 billion) (the “**Local SPA**”);
- (c) the entrusted loan agreement dated 15 April 2016 entered into between Goldin Tianjin (as borrower), the Investment Company and China Everbright Bank Co., Ltd, Beijing Jiao Da Branch (the “**First Bank**”) in respect of an entrusted loan in the amount of RMB6.00 billion (equivalent to approximately HK\$7.20 billion) (the “**Entrusted Loan**”) for a period of 12 months from the drawdown date;
- (d) the pledge agreement dated 15 April 2016 entered into between Goldin Tianjin, the Investment Company and the First Bank in relation to the pledge of the development constructed or being constructed by Goldin Tianjin on a portion of the parcel of land (the “**Land**”) in Tianjin, the PRC located at Huayuan Industry District (Outer Ring), Tianjin Binhai Hi-Tech Industrial Development Area, Tianjin, the PRC (including the substructure and superstructure of all

\* The Chinese names have been translated into English in this Composite Document for reference only.

improvements on the Land) under Goldin Metropolitan (the “**Development**”) in favour of the First Bank as security for the full repayment of the Entrusted Loan and the interest accrued thereon;

- (e) the pledge agreement dated 15 April 2016 entered into between Goldin Tianjin, 深圳市國威股權投資中心(有限合夥)(Shenzhen Guowei Capital Investment Centre L.P.\*) (the “**Partnership Fund**”) and Nanyang Commercial Bank China Limited, Beijing Branch (the “**Second Bank**”) in relation to the pledge of the Development in favour of the Second Bank as security for the full repayment of a loan in the amount of RMB6.00 billion (equivalent to approximately HK\$7.20 billion) provided by the Partnership Fund through the Second Bank to the Investment Company; and
- (f) a supplemental agreement dated 10 May 2016 entered into between the parties to the Local SPA to, among others, extend the latest time for obtaining the Shareholders’ approval of the Framework Disposal Agreement, the Local SPA and the transactions contemplated thereunder.

## 8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

## 9. CONSENTS AND QUALIFICATIONS OF PROFESSIONAL ADVISERS

The following are the qualifications of each of the experts who have given their reports, opinions and/or advice which are contained or referred to in this Composite Document:

Name	Qualifications
Goldin Financial	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
Investec	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Savills	independent property valuer
Zhong Lun Law Firm	PRC legal adviser
M. Y. Chan & Company	Certified Public Accountants (Practising)

Each of Goldin Financial, Investec, Savills, Zhong Lun Law Firm and M. Y. Chan & Company has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of the opinions, reports and/or letters and/or the references to its name and/or opinions, reports and/or letters in the form and context in which they respectively appear.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) during normal business hours from 9:00 a.m. to 5:30 p.m. on any Business Day at the principal place of business of the Company in Hong Kong at 25/F, Goldin Financial Global Centre, 17 Kai Cheung Road, Kowloon Bay, Hong Kong, (ii) on the website of the SFC at <http://www.sfc.hk>; and (iii) on the website of the Company at <http://www.goldinppt.com/>, from the date of this Composite Document until the earlier of: (i) the final Closing Date; and (ii) the date on which the Offers are withdrawn or lapse:

- (a) the articles of association of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the annual reports of the Company for the two years ended 31 March 2015 and 2016 and the interim report of the Company for the six months ended 30 September 2016;
- (d) the “Letter from Optima Capital”, the text of which is set out on pages 7 to 22 of this Composite Document;
- (e) the “Letter from the Board”, the text of which is set out on pages 23 to 27 of this Composite Document;
- (f) the “Letter from the Independent Board Committee”, the text of which is set out on pages 28 to 29 of this Composite Document;
- (g) the “Letter from Investec”, the text of which is set out on pages 30 to 63 of this Composite Document;
- (h) the property valuation report of the Group as set out in “Appendix III — Property Valuation of the Group” to this Composite Document;
- (i) the report from M. Y. Chan & Company on the profit estimate of the Group as set out in “Appendix IV(A) — Report from M. Y. Chan & Company on Profit Estimate” to this Composite Document;
- (j) the report from Goldin Financial on the profit estimate of the Group as set out in “Appendix IV(B) — Report from Goldin Financial on Profit Estimate” to this Composite Document;



- (k) the written consents referred to under the paragraph headed “5. Consent and qualifications of professional adviser” in Appendix V to this Composite Document and under the paragraph headed “9. Consents and qualifications of professional advisers” in this Appendix VI;
- (l) the material contracts referred to in the paragraph headed “7. Material Contracts” in this Appendix VI; and
- (m) the Directors Undertakings.

## **11. MISCELLANEOUS**

The registered office of Investec, the Independent Financial Adviser, is situated at Suite 3609, 36/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

*The following is the form of the Option Offer letter being sent to the Option Holders in connection with the Option Offer.*



Suite 1501, 15th Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

19 April 2017

*To the Option Holders*

Dear Sir or Madam,

**OPTION OFFER  
IN RELATION TO  
PROPOSED PRIVATISATION  
BY WAY OF  
VOLUNTARY CONDITIONAL CASH OFFERS BY  
OPTIMA CAPITAL LIMITED  
ON BEHALF OF  
SILVER STARLIGHT LIMITED  
FOR ALL THE ISSUED SHARES HELD BY  
QUALIFYING SHAREHOLDERS  
AND  
TO CANCEL ALL THE OUTSTANDING OPTIONS OF  
GOLDIN PROPERTIES HOLDINGS LIMITED**

A composite offer and response document (the “**Composite Document**”) dated the same date as this letter jointly issued by Silver Starlight Limited (the “**Offeror**”) and Goldin Properties Holdings Limited (the “**Company**”) is enclosed with this letter. Terms used but not defined in this letter shall have the same meanings and construction as in the Composite Document. This letter should be read in conjunction with the Composite Document and the **PINK** Form of Option Offer Acceptance.

The Offeror and the Company issued a joint announcement dated 29 March 2017 (the “**Joint Announcement**”) which stated that, among others, we, on behalf of the Offeror, would make a voluntary conditional cash offer to acquire all of the Offer Shares. As stated in the Joint Announcement, as part of the Offers, the Offeror would make an appropriate offer, namely the Option Offer, to the Option Holders for the cancellation of all outstanding Options in accordance with Rule 13 of the Takeovers Code. The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

This letter explains the actions you may take in relation to your outstanding Options. You are advised to refer to the Composite Document and the **PINK** Form of Option Offer Acceptance when considering them.

Your attention is also drawn to the terms and conditions of the Share Option Schemes.

### TERMS OF THE OPTION OFFER

On behalf of the Offeror, we are making the Option Offer to you pursuant to Rule 13 of the Takeovers Code on the basis set out below:

For cancellation of each Option granted under the share option scheme of the Company adopted on 27 August 2002 with an exercise price of

— HK\$6.5009 per Option Share	HK\$2.4991 in cash
— HK\$3.2703 per Option Share	HK\$5.7297 in cash
— HK\$3.1414 per Option Share	HK\$5.8586 in cash
— HK\$3.7162 per Option Share	HK\$5.2838 in cash
— HK\$2.69 per Option Share	HK\$6.31 in cash

For cancellation of each Option granted under the share option scheme of the Company adopted on 23 August 2012 with an exercise price of HK\$3.354 per Option Share

HK\$5.646 in cash

The Option Offer Price above represents the “see-through” price of the outstanding Options, being an amount by which the Share Offer Price exceeds the exercise price of the relevant outstanding Option.

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. The Conditions are set out in the section headed “Conditions of the Offers” in the letter from Optima Capital in the Composite Document. In addition, all payments in respect of the Option Offer Price will be made by cheques in Hong Kong dollars.

Pursuant to the terms of the Share Option Schemes, if the Share Offer becomes or is declared unconditional in all respects, you will be entitled to exercise your Options in full (to the extent not already exercised) at any time (i) within one (1) month after the date on which the Share Offer becomes or is declared unconditional in all respects; or (ii) by the Closing Date (whichever is the earlier) (the “**Latest Option Exercise Date**”). Any Options not exercised before the expiry of the Offer Period shall lapse. You may accept the Option Offer by lodging a duly completed and signed **PINK** Form of Option Offer Acceptance and the relevant documents by the Closing Date and, if the Offers become unconditional in all respects, you will be entitled to the Option Offer Price.

You are further advised to refer to the sections headed “8. Overseas Qualifying Shareholders and overseas Option Holders” and “7. Taxation and independent advice” in the letter from Optima Capital in the Composite Document, and the section headed “4. Nominee Registration” in “Appendix I — Further Terms of the Offers and Procedures of Acceptance” to the Composite Document.

Your attention is drawn to the letter from the Independent Board Committee to the Qualifying Shareholders and the Option Holders set out in the Composite Document and the letter from Investec set out in the Composite Document, which contain the recommendations of the Independent Board Committee and of Investec, respectively, in relation to the Offers.

#### COURSES OF ACTION AVAILABLE TO THE OPTION HOLDERS

In summary, the choices available to you in respect of your outstanding Options are:

- (a) to the extent any of your outstanding Options is not exercised on or prior to the Latest Option Exercise Date, you may accept the Option Offer in accordance with its terms (as set out in the Composite Document and the **PINK** Form of Option Offer Acceptance) and receive the Option Offer Price if the Offers become unconditional in all respects, by allowing such unexercised outstanding Options to remain unexercised on the Latest Option Exercise Date, and returning, duly completed and signed, the **PINK** Form of Option Offer Acceptance enclosed together with the relevant document(s) as soon as possible and in any event by no later than 4:00 p.m. (Hong Kong time) on the Closing Date;
- (b) you may in accordance with the terms of the Share Option Schemes exercise all of your outstanding Options (to the extent not already exercised) or only some of them to the extent specified in your notice of exercise, by submitting a notice of exercise of Options to the company secretary of the Company at any time after the date of this letter and up to the Latest Option Exercise Date. Any Shares issued as a result of the exercise of such outstanding Options as mentioned above will be subject to and eligible to participate in the Share Offer. Please refer to the Composite Document for the details of the Share Offer in this regard; or
- (c) do nothing, in which case, if the Offers become unconditional in all respects, your unexercised outstanding Options will lapse automatically upon the expiry of the Offer Period and you will not receive the Option Offer Price.

Each outstanding Option you hold is independent and you should make a separate decision for each one.

For further details, please refer to the remaining sections of this letter, the Composite Document, the **PINK** Form of Option Offer Acceptance and the terms and conditions of the Share Option Schemes.

**OUTSTANDING OPTIONS HELD AS AT THE LATEST PRACTICABLE DATE**

Information on the outstanding Options held by you as at the Latest Practicable Date is available from the company secretary of the Company. If any of your outstanding Options are exercised after the Latest Practicable Date, you may, before the expiry of the Offer Period, accept the Option Offer only in respect of those outstanding Options which remain unexercised at the time of acceptance of the Option Offer.

**LAPSED OPTIONS**

Please note that nothing in this letter or the Composite Document serves to extend the life of an Option which lapses, will lapse, or has already lapsed, under the terms of the Share Option Schemes. You cannot exercise or accept the Option Offer in respect of an Option once it lapses in accordance with its terms.

**PROFESSIONAL ADVICE**

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take.

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

**GENERAL**

- (a) All communications, notices, the **PINK** Form of Option Offer Acceptance, cheques, certificates and other documents of any nature, if delivered by or sent to or from you as an Option Holder or your designated agents by post, shall be posted at your own risk, and none of the Offeror, the Company, Optima Capital, Goldin Financial and any of their respective directors, the Registrar and other parties involved in the Offers and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Composite Document and the **PINK** Form of Option Offer Acceptance form part of the terms of the Option Offer.
- (c) The Option Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (d) The due execution of a **PINK** Form of Option Offer Acceptance in respect of the Option Offer will constitute an authority to the Offeror, Optima Capital or such person(s) as any of them may direct (i) to complete on behalf of the accepting Option Holder the **PINK** Form of Option Offer Acceptance and any other

document(s) and (ii) to do any other act that may be necessary or expedient for the purpose of cancelling all rights of the Option Holders in respect of the outstanding Options which are the subject of such acceptance.

- (e) By completing the **PINK** Form of Option Offer Acceptance in respect of a particular outstanding Option, you irrevocably authorise the Offeror, Optima Capital and/or their respective agents to send a cheque to you by ordinary post at your own risk.

#### **ACTIONS TO BE TAKEN FOR ACCEPTING THE OPTION OFFER**

In order to accept the Option Offer, you must deliver the duly completed and signed **PINK** Form of Option Offer Acceptance together with the relevant certificate(s), document(s) of title or entitlement in respect of the Options, and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) for your holding of Options for not less than the number of Options in respect of which you intend to accept the Option Offer, by post or by hand, to the company secretary of the Company at 25/F, Goldin Financial Global Centre, 17 Kai Cheung Road, Kowloon Bay, Hong Kong marked “Goldin Properties Holdings Limited — Option Offer” on the envelope so as to reach the company secretary of the Company as soon as possible but in any event by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code. If you do not return a duly completed and signed **PINK** Form of Option Offer Acceptance or exercise your Options, subject to and conditional upon the Offers becoming unconditional in all respects, your outstanding Options will lapse automatically upon the expiry of the Offer Period.

Before delivering the **PINK** Form of Option Offer Acceptance to the company secretary of the Company, please ensure that you have signed the **PINK** Form of Option Offer Acceptance and that your signature has been witnessed.

Payment of the Option Offer Price is expected to be made within seven (7) Business Days following the later of (i) the date on which the Offers become or are declared unconditional in all respects; and (ii) the date of receipt of the duly completed **PINK** Form of Option Offer Acceptance and all relevant document(s) by the company secretary of the Company to render such acceptance, surrender and cancellation under the Option Offer valid.

No acknowledgment of receipt of any **PINK** Form of Option Offer Acceptance and/or Options relevant certificate(s) (if applicable) and/or any other document(s) evidencing the grant of the outstanding Options and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

**RESPONSIBILITY STATEMENT**

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this letter, and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this letter have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

Yours faithfully,  
for and on behalf of  
**OPTIMA CAPITAL LIMITED**  
**Beatrice Lung**  
*Managing Director*