
THIS CIRCULAR IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION

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

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



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

- (1) **CONNECTED AND MAJOR TRANSACTION IN RELATION TO
FORMATION OF JOINT VENTURE FOR
REAL PROPERTY PROJECTS IN AUSTRALIA
AND**
- (2) **CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING
FORMATION OF JOINT VENTURE FOR THE JEWEL PROJECT
AND**
- (3) **DISCLOSEABLE TRANSACTION INVOLVING SUBSCRIPTION OF
55% INTEREST IN THE JEWEL PROJECT CO
AND**
- (4) **MAJOR TRANSACTION AS REGARDS THE GRANT OF OPTIONS
CONCERNING THE JEWEL PROJECT
AND**
- (5) **NOTICE OF SGM**

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



A letter from the Board is set out on pages 4 to 25 of this Circular. A letter of advice containing the recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 26 to 27 of this Circular. A letter of advice from Astrum, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders is set out on pages 28 to 52 of this Circular.

A notice of the SGM to be held at Unit 3007, 30/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong on 16 October 2014 at 4:00 p.m. is set out on pages SGM-1 to SGM-2 of this Circular. Whether or not you are able to attend and vote at the SGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be).

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

29 September 2014

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Call Option”	an option for a party to purchase from the grantor the option shares in Jewel Project Co, subject to the terms in the Subscription and Shareholders Agreement
“Circular”	this circular issued by the Company dated 29 September 2014
“Company”	Wanda Commercial Properties (Group) Co., Limited (萬達商業地產(集團)有限公司), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling Shareholder”	has the meaning ascribed thereto in the Listing Rules
“Cushman & Wakefield”	Cushman & Wakefield Valuation Advisory Services (HK) Limited, the independent valuer
“Directors”	the directors of the Company
“DWCP”	大連萬達商業地產股份有限公司 (Dalian Wanda Commercial Properties Co., Ltd.*), a company established in the PRC with limited liability
“Astrum” or “Independent Financial Adviser”	Astrum Capital Management Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Australia JV Agreement and the Jewel JV Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	all Shareholders other than Wanda Overseas and its associates
“Jewel JV Agreement”	the agreement dated 11 August 2014 entered into between the Company and Wanda HK in relation to the development of the Jewel Property

DEFINITIONS

“Jewel Project Co”	Ridong (Gold Coast) Development Pty Ltd CAN 138 279 759, an Australian limited liability company directly owned as to 55% by Wanda Australia Commercial and 45% by Li for holding and development of the Jewel Property
“Jewel Project”	the project in relation to the development of the Jewel Property
“Jewel Property”	the property located at 38 - 44 Old Burleigh Road, Surfers Paradise, Queensland, Australia
“Latest Practicable Date”	26 September 2014, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained therein
“Land Mortgagee”	FCCD (Australia) Nominee Pty Ltd CAN 134 182 657
“Li”	Mr. Riyu Li and Ms. Fengliu Wu
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Australia JV Agreement”	the agreement dated 11 August 2014 entered into between the Company and Wanda HK in relation to the establishment of Wanda Australia
“Options”	Put Option and Call Option
“PRC”	the People’s Republic of China which, for the purpose of this Circular, excludes Hong Kong, Taiwan and the Macao Special Administrative Region of the PRC
“Project Level JV Agreement”	the joint venture agreement to be entered into between the Company and Wanda HK when a new SP Entity is established on terms similar to the Jewel JV Agreement
“Put Option”	an option for a party to sell to the grantor of the option the first party’s shares in Jewel Project Co, subject to the terms of the Subscription and Shareholders Agreement
“Real Property Projects”	the acquisition and development of real properties
“SGM”	a special general meeting of the Company to be convened on Thursday, 16 October 2014 for the purpose of approving the Jewel JV Agreement and the Master Australia JV Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holders of the Shares
“SP Entity”	any special purpose entity which is formed by Wanda Australia for the purpose of holding, acquiring and developing the Real Property Projects and shall include the Jewel Project Co in relation to the Jewel Property
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for 550,000 new shares in Jewel Project Co by Wanda Australia Commercial pursuant to the Subscription and Shareholders Agreement
“Subscription and Shareholders Agreement”	the subscription and shareholders agreement dated 11 August 2014 entered into between Li, DWCP, Wanda Australia Commercial and Jewel Project Co
“Wanda Australia”	Wanda Australia Real Estate Investment Co., Limited 萬達澳洲地產投資有限公司, a company with limited liability established under the laws of Hong Kong, in which the Company and Wanda HK hold 60% and 40% interest, respectively
“Wanda Australia Commercial”	Wanda Australia Commercial Properties Pty Ltd, a direct wholly-owned subsidiary of Wanda Australia, established in Australia
“Wanda HK”	Wanda Commercial Properties (Hong Kong) Co. Limited, a company incorporated in Hong Kong with limited liability, a controlling Shareholder of the Company
“Wanda Overseas”	Wanda Commercial Properties Overseas Limited, a company incorporated in the British Virgin Islands with limited liability
“A\$”	Australian dollars, the lawful currency of Australia
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For the purpose of this Circular and for illustrative purpose only, the exchange rate between HK\$ and A\$ is 7.25:1.

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

LETTER FROM THE BOARD



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

Non-Executive Directors:

Mr. Ding Benxi (*Chairman*)
Mr. Qi Jie
Mr. Qu Dejun
Mr. Chen Chang Wei

Executive Director:

Mr. Liu Chaohui

Independent Non-Executive Directors:

Mr. Liu Jipeng
Mr. Xue Yunkui
Mr. Zhang Huaqiao

Head office and principal place of business in Hong Kong:

Unit 3007, 30th Floor
Two Exchange Square
8 Connaught Place
Central
Hong Kong

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

29 September 2014

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED AND MAJOR TRANSACTION IN RELATION TO
FORMATION OF JOINT VENTURE FOR
REAL PROPERTY PROJECTS IN AUSTRALIA
AND**

**(2) CONNECTED AND DISCLOSEABLE TRANSACTION INVOLVING
FORMATION OF JOINT VENTURE FOR THE JEWEL PROJECT
AND**

**(3) DISCLOSEABLE TRANSACTION INVOLVING SUBSCRIPTION OF
55% INTEREST IN THE JEWEL PROJECT CO
AND**

**(4) MAJOR TRANSACTION AS REGARDS THE GRANT OF OPTIONS
CONCERNING THE JEWEL PROJECT
AND**

(5) NOTICE OF SGM

A. INTRODUCTION

Reference is made to the announcement issued by the Company on 11 August 2014 in relation to (1) the connected and major transaction in relation to formation of joint venture for Real Property

LETTER FROM THE BOARD

Projects in Australia, (2) the connected and discloseable transaction involving formation of joint venture for the Jewel Project, (3) the discloseable transaction involving Subscription of 55% interest in the Jewel Project Co, and (4) the major transaction as regards the grant of Options concerning the Jewel Project.

B. FORMATION OF A JOINT VENTURE FOR REAL PROPERTY PROJECTS IN AUSTRALIA

In order to facilitate possible future cooperation between the Company and Wanda HK in acquisitions and development of Real Property Projects in Australia, the Company and Wanda HK on 11 August 2014 entered into the Master Australia JV Agreement pursuant to which the Company and Wanda HK will use Wanda Australia as the holding vehicle for such purpose and, through the SP Entities, jointly undertake acquisition and development of Real Property Projects in Australia. Wanda Australia is and will remain owned as to 60% by the Company and 40% by Wanda HK (excluding the interest held though the Company) and is a connected subsidiary of the Company pursuant to Rule 14A.16(1) of the Listing Rules.

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

1. Scope of business

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

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

2. Acquisition and development of Real Property Projects

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

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

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

LETTER FROM THE BOARD

3. Funding

It is provided under the Master Australia JV Agreement that the aggregate of all acquisition costs and development costs of the Real Property Projects undertaken by all SP Entities and funded by the Company and Wanda HK shall not exceed HK\$12,500 million and will be contributed by the Company and Wanda HK pro rata to their shareholdings in Wanda Australia.

Accordingly, the maximum amount of the capital commitment of the Company under the Master Australia JV Agreement will be HK\$7,500 million and the remaining HK\$5,000 million will be provided by Wanda HK.

The capital commitment of parties to the Master Australia JV Agreement may be in the form of equity, loan or otherwise and any guarantee or indemnity. The Company expects to finance its capital commitment under the Master Australia JV Agreement by (i) the Company's internal resources in the amount of approximately HK\$250 million; (ii) debt financing; and/or (iii) equity financing. Given the only Real Property Project in Australia currently undertaken by the Group is the development of the Jewel Property, the Company's total available funding of HK\$1,977 million is sufficient to finance its capital commitment of HK\$1,262 million under the Jewel JV Agreement, which is the amount of capital currently required of the Company under the Master Australia JV Agreement. Although the Company does not have immediate funding requirement for now, as at the Latest Practicable Date, the Company is in the process of negotiating additional credit facility from other third party financial institutions on terms that are commercial, viable and acceptable to the Group but the Company has not yet entered into any formal agreement in respect of the same. The Company aims to obtain additional credit facility which may be used for the development of the Jewel Project and other Real Property Projects in Australia to be taken up by Wanda Australia Commercial, if any, by the end of 2014, however, the exact timing and amount of which will be subject to negotiations with the relevant financial institutions. As at the Latest Practicable Date, the Company has no plan to conduct any equity financing.

The aggregate capital commitment of HK\$12,500 million is determined with reference to, among other things, the current real property market in Australia and the expected acquisition and development costs for suitable Real Property Projects. In the event both the Master Australia JV Agreement and the Jewel JV Agreement are approved by the Independent Shareholders, the remaining capital commitment of both the Company and Wanda HK to be contributed under the Master Australia JV Agreement, after taking into account the capital commitment as provided under the Jewel JV Agreement, will be approximately HK\$10,397 million.

The Company and Wanda HK have not set a fixed timetable for the contribution of the HK\$12,500 million under the Master Australia JV Agreement. The Company shall discuss the timing of the HK\$12,500 million funding contribution with Wanda HK once they identify additional Real Property Projects in Australia and/or enter into formal agreements in respect of such additional Real Property Projects.

LETTER FROM THE BOARD

4. Board composition

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

5. Conditions precedent

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

6. Reserved matters

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

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

LETTER FROM THE BOARD

7. Disposal of shares

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

8. Events of default

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

The fair value of any share in Wanda Australia shall be a percentage of the market value of the total issued share capital of Wanda Australia, such percentage being equal to the percentage of such total issued share capital represented by those shares as adjusted by reference to whether, and, if so, the extent to which the holder of such shares controls or has the power to control the management of the business of Wanda Australia and its subsidiaries (without taking into account Wanda HK's interest held through the Company). The market value of the total issued share capital of Wanda Australia shall be determined on the basis of a sale between a willing seller and a willing buyer of the whole of the issued share capital of Wanda Australia. The fair value shall be as agreed between the Company and Wanda HK or (in the absence of agreement) as certified in a reasoned certificate by the auditors of Wanda Australia acting as experts and not as arbitrators whose decision shall, save for manifest error, be final and binding.

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

C. SUBSCRIPTION AND SHAREHOLDERS AGREEMENT IN RELATION TO JEWEL PROJECT CO

The Board is pleased to announce that on 11 August 2014, DWCP, Wanda Australia Commercial, a direct wholly owned subsidiary of Wanda Australia, entered into the Subscription and Shareholders Agreement with Li and Jewel Project Co pursuant to which (i) Wanda Australia Commercial has conditionally agreed to subscribe for 55% of the enlarged issued shares in Jewel Project Co and (ii) rights and obligations of members of Jewel Project Co are regulated. The Jewel Project Co will, on completion of the Subscription, be owned by Wanda Australia Commercial and Li as to 55% and 45% respectively. By virtue of the terms of the Subscription and Shareholders Agreement, Jewel Project Co will not be accounted for as a subsidiary but will be accounted for as a joint venture of the Company. Nevertheless, Jewel Project Co will be treated as a subsidiary and a connected subsidiary of the Company under the Listing Rules. Given that Jewel Project Co is a connected person only because it is a subsidiary of Wanda Australia Commercial (a connected subsidiary of the Company given Wanda HK's 40% shareholding in Wanda Australia Commercial), transactions between Wanda Australia

LETTER FROM THE BOARD

Commercial and Jewel Project Co will not be treated as connected transactions pursuant to Rule 14A.17 of the Listing Rules. When Wanda Australia Commercial provides additional shareholder loan to Jewel Project Co., it may constitute situations for disclosure under chapter 13 of the Listing Rules or a notifiable transaction of the Company under chapter 14 of the Listing Rules whereupon the Company will comply with the relevant notification, publication and shareholders' approval requirements under the Listing Rules as appropriate. In addition, when Jewel Project Co, being a subsidiary of the Company, enters into transaction(s), the Company will comply with the relevant Listing Rules requirements as appropriate. It is intended that the Jewel Project Co will develop the Jewel Property into a mixed-use development consisting of residential units, commercial space, hotel units and parking spaces.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Li and Jewel Project Co are third parties independent of the Company and are not connected with the Company or its connected persons.

Principal terms of the Subscription and Shareholders Agreement and further details about the Jewel Property

Date of the Subscription and Shareholders Agreement	:	11 August 2014
Parties to the Subscription and Shareholders Agreement	:	(i) Li (ii) DWCP (iii) Wanda Australia Commercial (iv) Jewel Project Co
Subscription	:	Wanda Australia Commercial shall subscribe for 550,000 new shares in Jewel Project Co, representing 55% of the enlarged issued shares in Jewel Project Co after the Subscription
Subscription price	:	A\$4,583,522 (equivalent to approximately HK\$33,230,535) which is based on the price per share of A\$8.33 (equivalent to approximately HK\$60.39) calculated by dividing the net assets value of Jewel Project Co in the latest management accounts as at 31 July 2014 of A\$3,750,154 (equivalent to approximately HK\$27,188,617) after taking into account of the agreed valuation of the Jewel Property at A\$120,000,000 (equivalent to approximately HK\$870,000,000) by 450,000, being the total number of issued shares of the Jewel Project Co as at 31 July 2014

LETTER FROM THE BOARD

Shareholder loan : Wanda Australia Commercial shall on the settlement date of the Subscription provide an initial capital contribution by way of a shareholder loan to Jewel Project Co. Wanda Australia Commercial's initial capital contribution shall be adjusted by reference to the loan amounts provided by Li and their associated entities to Jewel Project Co as of the settlement date. Within 10 business days after the settlement date of the Subscription, Wanda Australia Commercial shall make an additional shareholder loan to the Jewel Project Co calculated by the following formula:

$$L \times F - W$$

L = the aggregate loans made by Li and their associated entities provided to Jewel Project Co as of the settlement date

$$F = 55\%/45\%$$

W = the amount of initial capital contribution which Wanda Australia Commercial has paid

Note 1: As at 30 June 2014, the initial capital contribution would be A\$88,458,049 (equivalent to approximately HK\$641,320,855) and applied as follows:

- (i) Firstly, repay the Land Mortgagee in full in relation to all amounts due and payable to it by Jewel Project Co (the mortgage principal was A\$22,000,000 (equivalent to approximately HK\$159,500,000))
- (ii) Secondly, repay an affiliate of Li A\$6,273,910 (equivalent to approximately HK\$45,485,848) in relation to all amounts due and payable to it by Jewel Project Co
- (iii) Thirdly, repay Li A\$23,726,090 (equivalent to approximately HK\$172,014,153) as part repayment of their shareholder loan to Jewel Project Co
- (iv) Fourthly, the balance will be working capital and only used for the development of the Jewel Property

LETTER FROM THE BOARD

Note 2: As at 31 July 2014, the total amount of loan from Li and the affiliate of Li was A\$103,053,396 (equivalent to approximately HK\$747,137,121). After the payment of items (ii) and (iii) above, the amount of loan from Li and the affiliate of Li will be reduced to A\$73,053,396 (equivalent to approximately HK\$529,637,121). Accordingly, Wanda Australia Commercial's initial capital contribution would be adjusted by its provision of an additional shareholders loan of A\$829,435 (equivalent to approximately HK\$6,013,404).

Condition : Wanda Australia Commercial obtaining Foreign Investment Review Board approval on or before the date that is 60 days plus an extension period of 45 days (in case first application is not approved) from the date of the Subscription and Shareholders Agreement (“**FIRB Condition**”)

On 19 September 2014, the FIRB Condition was fulfilled.

Settlement date : The date which is the later date of either:

- (i) 70 days after the date of the Subscription and Shareholders Agreement;
- (ii) 10 business days after the date when the FIRB Condition has been satisfied; or
- (iii) such other date that is unanimously agreed between Li and Wanda Australia Commercial

Board composition : Li shall have the right to appoint 1 director and Wanda Australia Commercial shall have the right to appoint 2 directors to the board of directors of Jewel Project Co

Reserved matters : Jewel Project Co shall not, without the unanimous written consent of all directors, take any of the following acts:

- (i) declare or pay any dividend;
- (ii) approval of a shareholder loan;
- (iii) approval of amounts borrowed by Jewel Project Co if the terms are not in accordance with market conditions;
- (iv) pass any resolution for its winding up (unless it shall have become insolvent);

LETTER FROM THE BOARD

- (v) approval of the construction cost budget and approval of the revised construction cost budget submitted by the general manager of Jewel Project Co, if any;
- (vi) approval of the outstanding construction costs if the construction cost occurred is in excess of 105% of the approved construction cost budget;
- (vii) approval of the residential sales budget and approval of the revised residential sales budget submitted by the general manager of Jewel Project Co, if any;
- (viii) approval of fees and charges terms in hotel management agreement for the hotel built on the land with Wanda Australia Commercial or a Wanda Australia Commercial's related company that are inconsistent with fees and charges terms offered by other unrelated hotel management companies that provide a level of service, quality of management and brand recognition as Wanda Australia Commercial or Wanda Australia Commercial's related company;
- (ix) approval of pricing terms in sale contract of the caretaking and letting rights in the Jewel Property to Wanda Australia Commercial or Wanda Australia Commercial's related company that are less than the fair market value obtainable on the sale of such rights to an unrelated party;
- (x) approval of the appointment of general construction contractor of the Project;
- (xi) dispose of the hotel component or the whole Jewel Property;
- (xii) issue or allot any new shares in Jewel Project Co;
- (xiii) removal of Li's nominee director from the board of directors of Jewel Project Co; and

LETTER FROM THE BOARD

(xiv) call in, accelerate or otherwise demand the repayment of the loan owing to Jewel Project Co by Eastern Success Group Pty Ltd, an Australia company indirectly wholly-owned by Li and is a third party independent of the Company and not connected with the Company or its connected persons and whose principal business is property development. The loan was provided to Eastern Success Group Pty Ltd for the purpose of covering its management and operation expenses and was intended by the parties to be repaid around the end of 2014 or early 2015.

Restriction on transfer of shares : No shareholder shall transfer, assign, dispose of or otherwise part with their shares in Jewel Project Co for a period expiring on the date that is 12 months after the date of the Subscription and Shareholders Agreement without the written consent of all other shareholders.

If a shareholder wishes to transfer all or any of its shares in Jewel Project Co, it must first offer the shares to the remaining shareholders. The Company will comply with the relevant requirements under the Listing Rules if such transaction constitutes notifiable and/or connected transactions for the Company.

Project funding : Li has provided shareholders loan for the initial funding for the project, such as acquisition of the site. It is intended that the part of the initial capital funding by Wanda Australia Commercial will be applied for the repayment of part of loans due to Li and his affiliates as provided in items (ii) and (iii) in the “Shareholder loan” section above. After such repayment, Wanda Australia Commercial’s initial capital funding will be adjusted so that the shareholders loans provided by both parties will be pro-rata to their respective interests in Jewel Project Co.

The development of Jewel Property will then be funded by borrowings by Jewel Project Co. Wanda Australia Commercial will be responsible for arranging the borrowings which will either be via bank loan or an additional shareholder loan from Wanda Australia Commercial.

LETTER FROM THE BOARD

The total costs to be incurred in the development of the Jewel Project is estimated to be A\$900 million (equivalent to approximately HK\$6,525 million). According to the Subscription and Shareholders Agreement, A\$290 million (equivalent to approximately HK\$2,103 million) will be provided by Wanda Australia Commercial.

The above was agreed between the parties after arm's length negotiations and on normal commercial terms. The Directors confirmed that the capital commitment was determined having regards to, amongst other things, (i) the advantageous location of the site in the waterfront along the Gold Coast; (ii) the availability of a development permit and (iii) the preliminary negotiation with banks.

Guarantee

: DWCP guarantees:

- (i) the prompt performance by Wanda Australia Commercial of its obligations under the Subscription and Shareholders Agreement; and
- (ii) prompt payment of all costs, loss and damage recoverable by Li from Wanda Australia Commercial under the Subscription and Shareholders Agreement.

As a separate and additional liability, DWCP indemnifies Li against any loss or damage suffered by Li as a result of Wanda Australia Commercial failing to perform or observe any term or condition as required under the Subscription and Shareholders Agreement.

D. JEWEL PROJECT

The Jewel Property of a total site area of approximately 11,355 square meters is located on Old Burleigh Road facing the beach of the Gold Coast in Queensland, Australia.

According to the existing development permit dated 3 September 2012, the site can be developed into a mixed use development comprising three (3) high rise buildings containing a resort hotel, apartments, cafe, convenience shop, office (recording studio), restaurant, shop, take-away food premises and vehicle hire office. The site has a potential development of total gross floor area of approximately 90,456 square meters.

It is estimated that, for the Jewel Property, the modified planning approvals will be obtained in 4th quarter 2014, the construction work and pre-sale will commence in the first quarter of 2015, and will be completed in 2018.

LETTER FROM THE BOARD

E. JEWEL PROJECT CO

Jewel Project Co's principal business activities are development and management of the Jewel Property. According to its management accounts, as at 30 June 2014 (being the latest annual accounts date), the net liabilities value of Jewel Project Co was A\$661,439 (equivalent to approximately HK\$4,795,433). According to Jewel Project Co's management accounts as at 30 June 2014, the net profit before and after tax for the financial years ended 30 June 2013 and 2014 of Jewel Project Co are as follows:-

	Year ended 30 June 2014	Year ended 30 June 2013
Profit Before Taxation	A\$168,442 (equivalent to approximately HK\$1,221,205)	A\$134,735 (equivalent to approximately HK\$976,829)
Profit After Taxation	A\$91,874 (equivalent to approximately HK\$666,087)	A\$99,528 (equivalent to approximately HK\$721,578)

The above profits were generated from rental received under certain short terms leases in respect of an existing apartment building located at the site of the Jewel Property. Jewel Project Co has sent notices of termination of such leases to all tenants prior to 1 September 2014, being the valuation date of the property valuation report set out in appendix II of the Circular.

The Board believes that given the unique location of the Jewel Property and its unobstructed waterfront views along the Surfers Paradise of Gold Coast, the Company is confident that it can maximize the development value of the Jewel Property and generate attractive returns on this investment.

The Directors consider that the terms of the Subscription and Shareholders Agreement, including the Subscription price, and the provision of shareholder loan by Wanda Australia Commercial, are fair and reasonable, on normal commercial terms in the ordinary and usual course of business of the Group and in the interests of the Shareholders as a whole.

The Company and Wanda HK will undertake the development of the Jewel Property by way of a joint venture pursuant to the Jewel JV Agreement. The Subscription price payable by Wanda Australia Commercial and the initial funding by way of shareholder loan from Wanda Australia Commercial under the Subscription and Shareholders Agreement will be funded out of the capital to be contributed by the Company and Wanda HK under the Jewel JV Agreement. Having regard to preliminary discussion with banks and the estimated construction costs, the Company and Wanda HK have considered that the total capital commitment of Wanda Australia Commercial can be reasonably set at A\$290,000,000 (equivalent to HK\$2,103,000,000). In the event the capital commitment falls short of the actual funding requirements, Wanda HK will provide the necessary funding for Jewel Project Co which will not be subject to any cap amount. Given the funding, if any, from Wanda HK, a controlling Shareholder, will be provided on normal commercial terms where no security over the assets of the Group will be granted, pursuant to Rule 14A.90 of the Listing Rules, such financial assistance is exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Based on the latest management accounts of the Jewel Project Co, as at 31 July 2014, the net assets value of the Jewel Project Co was A\$3,750,154 (equivalent to approximately HK\$27,188,617) after taking into account of the agreed valuation of the Jewel Property at A\$120,000,000 (equivalently to approximately HK\$870,000,000). As such, the Subscription price has been adjusted to A\$4,583,522 (equivalently to approximately HK\$33,230,535).

F. GRANT OF OPTIONS

Under the Subscription and Shareholders Agreement, as an exit mechanism in default scenarios, (i) in consideration of the sum of HK\$1 paid by Li to Wanda Australia Commercial, Wanda Australia Commercial grants to Li an unconditional Put Option and an unconditional and irrevocable Call Option; and (ii) in consideration of the sum of HK\$1 paid by Wanda Australia Commercial to Li, Li grants to Wanda Australia Commercial an unconditional Put Option and an unconditional and irrevocable Call Option in respect of their interests in Jewel Project Co. The consideration was determined after arm's length negotiations between the parties. The Options are not transferrable and will expire when Li or Wanda Australia Commercial transfers all its shares in Jewel Project Co or when the Subscription and Shareholders Agreement is terminated by written agreement between the parties.

According to the Subscription and Shareholders Agreement, an event of default occurs in relation to a party if:

- (a) the party fails to perform or observe any undertaking, obligation or agreement expressed or implied in, or given in relation to, the Subscription and Shareholders Agreement and that failure is not, in the reasonable opinion of the other party, remediable;
- (b) the party fails to perform or observe any other undertaking, obligation or agreement expressed or implied in, or given in relation to, the Subscription and Shareholders Agreement and that failure is, in the reasonable opinion of the other party, able to be remedied, and the party does not remedy the failure within a reasonable time determined by the other party, after receipt by the party of a notice from the other party specifying the failure;
- (c) any approval, licence, consent or requirement of any governmental agency necessary to enable the party to comply with its obligations under the Subscription and Shareholders Agreement ceases to be in full force and effect;
- (d) a judgement in an amount exceeding A\$50,000 (equivalent to approximately HK\$362,500) is obtained against the party and is not stayed, set aside or satisfied within twenty business days;
- (e) any distress, attachment, execution or other process of a governmental agency in an amount exceeding A\$50,000 (equivalent to approximately HK\$362,500) is issued against, levied or enforced upon any of the assets of the party and is not set aside or satisfied within twenty business days;

LETTER FROM THE BOARD

- (f) a receiver, receiver and manager, trustee, administrator or similar official is appointed over any of the assets or undertaking of the party;
- (g) the party suspends payment of its debts generally;
- (h) an insolvency event occurs in respect of a party;
- (i) the party enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them which has a material adverse effect;
- (j) the party ceases or threatens to cease to carry on business;
- (k) any person is appointed as an administrator to the party or any of its subsidiaries pursuant to the Corporations Act 2001 (Cth) or the directors of that company pass a resolution or take steps to pass a resolution to appoint an administrator;
- (l) an order is made for the winding-up or dissolution of the party or a resolution is passed or any steps are taken to pass a resolution for the winding-up or dissolution of the party;
- (m) without the prior written consent of the other party (which consent must not be unreasonably withheld), the party enters into a scheme of reconstruction or amalgamation or arrangement which has a material adverse effect;
- (n) the party (i) in the case of either party, either of them becomes a subsidiary of another corporation without the consent of the other, which consent shall not be unreasonably withheld, (ii) any of the individuals who are directors of the Jewel Project Co as at the date of the Subscription and Shareholders Agreement cease to be a director of the Jewel Project Co;
- (o) except in circumstances permitted or contemplated by the Subscription and Shareholders Agreement, the party attempts to seek to attempt to partition land whether by suit or otherwise;
- (p) the party is in breach of any other obligation imposed upon it by the Subscription and Shareholders Agreement; or
- (q) if a shareholder of Jewel Project Co, or any of its related corporations, which has an indirect equity interest in Jewel Project Co is required by law or by notice or order of a court or regulatory authority to dispose of all or part of its direct or indirect equity interest in the Jewel Project Co.

LETTER FROM THE BOARD

The party to the Subscription and Shareholders Agreement not committing an event of default under the Subscription and Shareholders Agreement may exercise an Option against the party committing an event of default. The non-defaulting party may elect to exercise the relevant Put Option or Call Option and decide whether it is to be transacted at the fair market price as provided by the defaulting party or as determined by the auditors of Jewel Project Co. The Directors consider the terms of the Options are customary commercial terms, fair and reasonable and in the interests of the Shareholders as a whole and recommend the Shareholders to approve the grant of the Options.

Upon the exercise of the Options by Li, the Company will make further announcement in accordance with chapter 14 of the Listing Rules. On the exercise of the Options by the Company, it may constitute a notifiable transaction of the Company whereupon the Company will comply with the relevant notification, publication and shareholders' approval requirements under chapter 14 of the Listing Rules as appropriate.

G. FORMATION OF A JOINT VENTURE IN RELATION TO WANDA AUSTRALIA COMMERCIAL'S INTEREST IN THE JEWEL PROJECT CO

The Company and Wanda HK have on 11 August 2014 entered into the Jewel JV Agreement in relation to Wanda Australia Commercial's interest in the Jewel Project Co, pursuant to which such interest will be indirectly held through Wanda Australia, further details of which are set out below.

1. Parties to the joint venture

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

2. Principal terms of the Jewel JV Agreement

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

(a) Objective

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

(b) Board composition

The Company is entitled to appoint all the directors of Wanda Australia Commercial and all the directors of Jewel Project Co that Wanda Australia Commercial is entitled to appoint subject to the terms of the Subscription and Shareholders Agreement.

LETTER FROM THE BOARD

(c) *Capital commitment*

The total capital commitments (whether equity, loan or otherwise and any guarantee or indemnity) to be provided by the Company and Wanda HK under the Jewel JV Agreement shall not exceed HK\$2,103 million, of which HK\$1,262 million will be provided by the Company and HK\$841 million will be provided by Wanda HK. The total capital commitment was determined after arm's length negotiations between the Company and Wanda HK, with reference to Wanda Australia Commercial's capital commitment to the Jewel Project Co of A\$290 million (equivalent to approximately HK\$2,103 million), inclusive of the Subscription price of the 55% interests in Jewel Project Co, the initial capital contribution and project funding not covered by bank loans.

The respective capital commitment of the Company and Wanda HK under the Jewel JV Agreement is proportional to their respective interest in Wanda Australia Commercial. Nevertheless, Wanda HK shall be responsible for any additional project funding of Jewel Project Co over A\$290 million by provision of loan or arranging of bank borrowing.

The capital commitment of the Company in relation to the formation of the joint venture under the Jewel JV Agreement is expected to be funded by (i) the Company's internal resources; (ii) debt financing; and/or (iii) equity financing. As at the Latest Practicable Date, the Company has a total available funding of HK\$1,977 million which is more than its capital commitment of HK\$1,262 million under the Jewel JV Agreement. For the development of the Jewel Project, the Company expects that 60% of the total costs (which is estimated to be A\$540 million (equivalent to approximately HK\$3,915 million)) will be funded by bank loans and 40% of which (which is estimated to be A\$360 million (equivalent to approximately HK\$2,610 million)) will be funded by the shareholders of Jewel Project Co. The Jewel Project Co will obtain the necessary funding prior to commencement of the relevant phases of development, if required.

(d) *Conditions precedent*

The Jewel JV Agreement shall be conditional upon the Company having obtained the Independent Shareholders' approval of the Jewel JV Agreement on or before the settlement date of the Subscription and Shareholders Agreement.

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

LETTER FROM THE BOARD

H. REASONS FOR AND BENEFITS OF THE JOINT VENTURES

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

In addition, as announced by the Company on 25 August 2014, the Company, DWCP and Wanda HK, both controlling Shareholders of the Company, entered into a memorandum of understanding in which the parties have expressed their intention to establish the Group as a platform for the investment and operation of hotels under Wanda's brands in overseas markets. DWCP and Wanda HK both expressed their continued support to the Group for the aforesaid business direction. And the Group plans to actively participate in the development and operation of mixed-use property projects with a focus on hotels in international gateway cities and to hold the hotel component to be operated under Wanda's brands (the existing brands include but not limited to Wanda Vista, Wanda Reign and Wanda Realm). At present, in addition to the Jewel Project, the Group has real property projects in the United Kingdom, Spain and the United States, and all these real property projects feature a luxury hotel with residential and commercial components. The strategy of the Group with respect to these real property projects is to retain the commercial component and hotel as investment whereas the residential component will be sold if market conditions are favourable. As the Group will focus on major international gateway cities which attract large tourism and business travel and a growing trend of international tourists, the Company expects that the hotel development business of the Group will grow over the years and become an important part of the Group's operating activities. And the Group will continue to seek investment opportunities, including doing so jointly with the controlling Shareholder of the Company, DWCP, with a view to enhancing the Group's profit and maximizing the interest of the Shareholders.

The Board believes that the formation of the joint ventures pursuant to the Master Australia JV Agreement and Jewel JV Agreement is in line with the Group's strategy of seeking to diversify its sources of income and will offer an opportunity for the Group to develop towards the business direction as aforesaid.

With respect to the Jewel Property and the joint venture for its development under the Jewel JV Agreement, given its beautiful beaches, amazing views and subtropical climate and nightlife, the Gold Coast is one of Australia's most beloved vacation holiday spots, accordingly there is significant demand for hotel facilities as well as premium apartments and accommodation from local as well as foreign buyers in the Surfers Paradise, the Board believes that the Jewel Property joint venture provides an excellent investment opportunity and is also of the view that the formation of the Jewel Property joint venture will offer an opportunity for the Group to broaden its income sources by expanding into the Australia market. The Board considers that the cooperation with Wanda HK is beneficial to the Company and the Shareholders as a whole, as the joint venture could leverage on the expertise and financial resources of both the Company and Wanda HK in developing the Jewel Property.

LETTER FROM THE BOARD

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

Therefore, the Board believes that establishing a joint venture platform through Wanda Australia will provide a more responsive structure for the Group to capture such windows of opportunities as they arise in Australia. Wanda Australia will also enable the Group to better co-ordinate its resources and with its joint venture partner, Wanda HK, in capitalizing on such suitable opportunities, against the backdrop of an accumulated HK\$12,500 million limit in total acquisition and development costs.

If both the Jewel JV Agreement and the Master Australia JV Agreement are approved by the Independent Shareholders, the remaining capital commitment of both the Company and Wanda HK to be contributed under the Master Australia JV Agreement for acquisition and development of Real Property Projects in Australia will be approximately HK\$10,397 million. The Jewel JV Agreement and the Master Australia JV Agreement are not inter-conditional with each other. Provided that the Jewel JV Agreement is not voted down by the Shareholders, it will proceed to completion even if the Master Australia JV Agreement is voted down by the Shareholders.

Having reviewed and discussed with Cushman & Wakefield about the basis and assumptions of the property valuation report prepared by Cushman & Wakefield as set out in appendix II of the Circular, including (i) the assumption applied by Cushman & Wakefield in forming the residual “land value”, (ii) the input variables applied by Cushman & Wakefield to calculate the residual value, and (iii) the information provided by DWCP in the development plan disclosed in note 6 of the property valuation report, the Board considers that the value of the Jewel Property at A\$120 million (equivalent to approximately HK\$870 million) is fair and reasonable. In addition, the Board has also considered the nature and impact of the adopted infrastructure charge notice dated 6 September 2012 issued by the Gold Coast City Council in relation to the Jewel Property when determining the Subscription price of the Jewel Project Co prior to the entering into of the Subscription and Shareholders Agreement.

The Board considers the Jewel JV Agreement and the Master Australia JV Agreement to be on normal commercial terms and is of the view that its terms are fair and reasonable and that the Company’s entry into the Jewel JV Agreement and the Master Australia JV Agreement is in the interest of the Company and the Shareholders as a whole.

After their consideration of the advice of the Independent Financial Advisor, the independent non-executive Directors take the view that the formation of the joint venture under the Jewel JV Agreement and the Master Australia JV Agreement is on normal commercial terms, the terms of the Jewel JV Agreement and the Master Australia JV Agreement are fair and reasonable and the Company’s entry into the Jewel JV Agreement and the Master Australia JV Agreement is in the interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

I. POSSIBLE FINANCIAL EFFECTS OF THE FORMATION OF WANDA AUSTRALIA

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

(a) Effects on net asset value and earnings

As extracted from the unaudited financial statements of the Group for the six months ended 30 June 2014, the consolidated net assets value of the Group was approximately HK\$3,671 million as at 30 June 2014. The formation of the joint ventures pursuant to the Master Australia JV Agreement or the Jewel JV Agreement and the grant of the Options pursuant to the Subscription and Shareholders Agreement will have no immediate material impact on the consolidated earnings of the Group as well as the net asset value attributable to equity shareholders of the Company.

(b) Effects on gearing

According to the unaudited financial statements of the Group for the six months ended and as at 30 June 2014, the Group had interest bearing debts of approximately HK\$2,074.4 million, which was less than the Group's total bank and cash balances of HK\$2,820.8 million. The Group was therefore in a net cash position as at 30 June 2014. As announced, the Company has obtained a 10-year term loan facility of up to an aggregate amount of USD162 million from Wanda HK on 4 June 2014. Such facility has not yet be drawdown. Should any amount of the capital commitment of the Company under the Master Australia JV Agreement and/or Jewel JV Agreement be financed by debt financing, the gearing ratio may increase further.

It should be noted that the aforementioned analyses are for illustrative purpose only and does not purport to represent how the financial position of the Group will be upon the formation the joint ventures pursuant to the Master Australia JV Agreement and/or the Jewel JV Agreement.

J. LISTING RULES IMPLICATIONS

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

LETTER FROM THE BOARD

As to the joint venture under the Subscription and Shareholders Agreement, since the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, it is a discloseable transaction of the Company under Chapter 14 of the Listing Rules. In relation to the guarantee for the prompt performance and payment by Wanda Australia Commercial under the Subscription and Shareholders Agreement provided by DWCP to Li, given it is provided on normal commercial terms where no security over the assets of the Group is granted, pursuant to Rule 14A.90 of the Listing Rules, such financial assistance is exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14.76(1) of the Listing Rules, the grant of the Options constitutes a possible major transaction of the Company subject to notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, Li are independent third parties and not connected with the Company or its connected persons and therefore no Shareholder would be required to abstain from voting on the resolution approving the grant of the Options were the Company to convene a general meeting for that. Therefore, the Company proposes, under Rule 14.44, to make use of a written Shareholders' approval in respect of the grant of the Options.

As at the Latest Practicable Date, Wanda Overseas, the controlling Shareholder of the Company holds 3,055,043,100 Shares, representing approximately 65.04% of the issued share capital of the Company, and Wanda Overseas has issued a written certificate to the Company to approve the grant of the Options.

K. POTENTIAL PROJECTS

As at the Latest Practicable Date, there is no other potential property development being considered by the Company and Wanda HK. However, the Company and Wanda HK will consider other potential property development in Australia. Such development projects may or may not proceed and may or may be included under the Master Australia JV Agreement. In considering whether Wanda Australia and its subsidiaries will undertake a project, the Company will take into account constraints such as completion timetable and confidentiality requirements. Where the potential vendor or development partner of a property in Australia refuses to disclose information as required under the Listing Rules for confidentiality reasons, the Company will not proceed with the relevant project.

LETTER FROM THE BOARD

L. INFORMATION ABOUT THE COMPANY

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

M. INFORMATION ABOUT DWCP AND WANDA HK

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

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

N. GENERAL

1. The SGM

The SGM will be held for the purpose of considering and, if thought fit, approving (i) the Master Australia JV Agreement and (ii) the Jewel JV Agreement. Wanda Overseas and any other Shareholders with a material interest in (i) the Master Australia JV Agreement and (ii) the Jewel JV Agreement and their respective associates are required to abstain from voting on the relevant resolution or (as the case may be) the resolutions. Apart from Wanda Overseas, the Company is not aware of any other Shareholders who have a material interest in (i) the Master Australia JV Agreement or (ii) the Jewel JV Agreement.

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

2. Independent Board Committee

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

LETTER FROM THE BOARD

Your attention is drawn to the letter from the Independent Board Committee, which are set out on pages 26 to 27 of this Circular, containing its opinions as to whether the terms of the Master Australia JV Agreement and the Jewel JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and their recommendations as to voting.

3. Independent Financial Adviser

The Company has appointed Astrum as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Master Australia JV Agreement and the Jewel JV Agreement.

Your attention is drawn to the letter from Astrum, which are set out on pages 28 to 52 of this Circular, containing its opinions as to whether the terms of the Master Australia JV Agreement and the Jewel JV Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and their recommendations as to voting.

O. RECOMMENDATION

The Board considers the Master Australia JV Agreement and the Jewel JV Agreement to be on normal commercial terms and in the ordinary and usual course of business of the Group, is of the view that their terms are fair and reasonable and that the Company's entry into the Master Australia JV Agreement and the Jewel JV Agreement are in the interest of the Company and the Shareholders as a whole, and accordingly recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Master Australia JV Agreement and the Jewel JV Agreement and the respective transactions contemplated thereunder.

P. FURTHER INFORMATION

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

Yours faithfully,

For and on behalf of the Board

WANDA COMMERCIAL PROPERTIES (GROUP) CO., LIMITED

Ding Benxi

Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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



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

29 September 2014

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular of the Company to the Shareholders dated 29 September 2014 (the “Circular”), of which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings given to them in the section headed “DEFINITIONS” of the Circular.

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

We also wish to draw your attention to the letter of advice from Astrum, being the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Master Australia JV Agreement and the Jewel JV Agreement, which contains, among other things, Astrum’s advice, opinions and recommendations regarding the terms of the Master Australia JV Agreement and the Jewel JV Agreement, as set out on pages 28 to 52 of the Circular, and the Letter from the Board as set out on pages 4 to 25 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having given due consideration to the reasons relating to the Master Australia JV Agreement and the Jewel JV Agreement and their terms and to the advice and recommendations of Astrum stated in its letter of advice dated 29 September 2014:

- (a) we consider (i) the terms of the Master Australia JV Agreement to be on normal commercial terms and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group; (ii) the terms of the Master Australia JV Agreement to be fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the formation of the joint ventures contemplated under the Master Australia JV Agreement to be in the interests of the Company and the Shareholders as a whole and accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Master Australia JV Agreement and the transactions contemplated thereunder; and
- (b) we consider (i) the terms of the Jewel JV Agreement to be on normal commercial terms and the transactions contemplated thereunder are in the ordinary and usual course of business of the Group; (ii) the terms of the Jewel JV Agreement to be fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the formation of the joint venture contemplated under the Jewel JV Agreement to be in the interests of the Company and the Shareholders as a whole and accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Jewel JV Agreement and the respective transactions contemplated thereunder.

Yours faithfully,

Independent Board Committee of

Wanda Commercial Properties (Group) Co., Limited

Mr. Liu Jipeng Mr. Xue Yunkui Mr. Zhang Huaqiao

Independent Non-executive Directors

LETTER FROM ASTRUM

Set out below is the text of a letter received from Astrum, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Master Australia JV Agreement and the Jewel JV Agreement for the purpose of inclusion in this circular.



11/F, 122 QRC,
Nos. 122-126 Queen's Road Central, Hong Kong

29 September 2014

To the Independent Board Committee and
the Independent Shareholders of
Wanda Commercial Properties (Group) Co., Limited

Dear Sirs,

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

INTRODUCTION

We refer to our engagement as the independent financial adviser to (i) make recommendations to the independent board committee (the “**Independent Board Committee**”) and the independent shareholders (the “**Independent Shareholders**”) of Wanda Commercial Properties (Group) Co., Limited (the “**Company**”) in relation to the Master Australia JV Agreement and the Jewel JV Agreement. The details of the Master Australia JV Agreement and the Jewel JV Agreement were disclosed in the announcement of the Company dated 11 August 2014 (the “**Announcement**”) and in the letter from the board (the “**Letter from the Board**”) set out on pages 4 to 25 of the circular of the Company dated 29 September 2014 (the “**Circular**”) to its shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

LETTER FROM ASTRUM

On 11 August 2014, the Company and Wanda HK entered into the Master Australia JV Agreement pursuant to which the Company and Wanda HK will use Wanda Australia as the holding vehicle, and through the SP Entities (which are subsidiaries of Wanda Australia), to jointly undertake acquisition and development of Real Property Projects in Australia. The total capital commitment to be made by the Company and Wanda HK under the Master Australia JV Agreement represent their pro rata equity interest of 60% and 40%, respectively, in Wanda Australia.

On 11 August 2014, the Company and Wanda HK entered into the Jewel JV Agreement in relation to Wanda Australia Commercial's interest in the Jewel Project Co, pursuant to which such interest will be indirectly held through Wanda Australia. The total capital commitment to be made by the Company and Wanda HK under the Jewel JV Agreement represent their pro rata indirect equity interest of 60% and 40%, respectively, in Wanda Australia Commercial.

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

The SGM will be held for the purpose of considering and, if thought fit, approving (i) the Master Australia JV Agreement and (ii) the Jewel JV Agreement. Wanda Overseas and any other Shareholders with a material interest in (i) the Master Australia JV Agreement and (ii) the Jewel JV Agreement and their respective associates are required to abstain from voting on the relevant resolution or (as the case may be) the resolutions. Apart from Wanda Overseas, the Company is not aware of any other Shareholders who have a material interest in (i) the Master Australia JV Agreement or (ii) the Jewel JV Agreement.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Liu Jipeng, Mr. Xue Yunkui and Mr. Zhang Huaqiao, has been formed to advise the Independent Shareholders as to (i) whether the terms of the Master Australia JV Agreement and the Jewel JV Agreement are fair and reasonable and on normal commercial terms; (ii) whether the transactions contemplated under the Master Australia JV Agreement and the Jewel JV Agreement are in the interests of the Company and the Shareholders as a whole; and (iii) how to vote on the relevant resolutions at the SGM. We, Astrum Capital Management Limited, have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

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BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have reviewed, inter alia, the Announcement, the Circular, the Master Australia JV Agreement, the Jewel JV Agreement, the annual report of the Company for the financial year ended 31 December 2013 (the “**2013 Annual Report**”) and the results announcement of the Company for the six months ended 30 June 2014 (the “**2014 Interim Results Announcement**”). We have also reviewed certain information provided by the management of the Company (the “**Management**”) relating to the operations and prospects of the Group, Wanda Australia, Wanda Australia Commercial and the Jewel Project Co. We have also reviewed the property valuation report (the “**Valuation Report**”) prepared by Cushman & Wakefield in collaboration with Cushman & Wakefield (NSW) Pty Limited (the “**Valuers**”) in relation to the market value of the Jewel Property, as contained in Appendix II to the Circular, including reviewing the terms of engagement (having particular regard to the scope of work, whether the scope of work is appropriate to the opinion required to be given and any limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuation Report, opinion or statement). Based on the foregoing, we consider that we have taken all the reasonable steps, which are applicable to the entering into of the Master Australia JV Agreement and the Jewel JV Agreement, as referred to and required under Rule 13.80(2)(b) of the Listing Rules (including its annexed notes) in forming our opinion. In addition, we consider that we have taken sufficient and necessary steps to form a reasonable basis and an informed view for our recommendation which are in compliance with Rule 13.80 of the Listing Rules. We have also (i) considered such other information, analyses and market data which we deemed relevant; and (ii) conducted verbal discussions with the Management regarding the terms of the Master Australia JV Agreement, the Jewel JV Agreement, the businesses and future outlook of the Group, Wanda Australia, Wanda Australia Commercial and the Jewel Project Co. We have assumed that such information and statements, and any representation made to us, are true, accurate and complete in all material respects as of the date hereof and we have relied upon them in formulating our opinion. We have not made any independent evaluation or appraisal on the assets and liabilities of the Group, Wanda Australia, Wanda Australia Commercial or their respective subsidiaries, and we have not been furnished with any such evaluation or appraisal.

All Directors collectively and individually accept full responsibility for the purpose of giving information with regard to the Company in the Announcement and the Circular and, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Announcement and the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters not contained in the Announcement and the Circular, the omission of which would make any statement herein or in the Announcement and the Circular misleading. We consider that we have performed all necessary steps to enable us to reach an informed view regarding the terms of, and the reasons for entering into, the Master Australia JV Agreement and the Jewel JV Agreement and to justify our reliance on the information provided so as to provide a reasonable basis of our opinion. We have no reasons to suspect that any material information has been withheld by the Directors or the Management, or is misleading, untrue or inaccurate. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the businesses or affairs or future prospects of the Group, DWCP, Wanda HK, Wanda Overseas, Wanda Australia, Wanda Australia Commercial, Li and the Jewel Project Co or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group as a result of the entering into of the Master Australia JV Agreement and the Jewel JV

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Agreement. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date. This letter is issued to provide the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Master Australia JV Agreement and the Jewel JV Agreement and the transactions contemplated thereunder. Except for the inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall it be used for any other purposes, without our prior written consent.

For the purpose of this letter and for illustrative purpose only, the exchange rate between HK\$ and A\$ is 7.25:1.

INDEPENDENCE DECLARATION

Apart from the normal advisory fees payable to us in respect of the relevant engagement in relation to the Master Australia JV Agreement and the Jewel JV Agreement, no other arrangement exists whereby we will receive any fees and/or benefits from the Group. As at the Latest Practicable Date, we are not aware of any relationships or interests between Astrum Capital Management Limited, the Company and DWCP, Wanda HK, Wanda Overseas, Wanda Australia, Wanda Australia Commercial, Li or the Jewel Project Co or any of their respective substantial shareholders, directors or chief executive, or any of their respective associates. Accordingly, Astrum Capital Management Limited is independent as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Master Australia JV Agreement and the Jewel JV Agreement.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Information of the Group

A. Business overview of the Group

According to the Letter from the Board, the Company is an investment holding company whose subsidiaries are principally engaged in property development, property leasing, property management and investment holding activities. At present, the Group has real property projects in the United Kingdom, Spain and the United States of America (details of which were disclosed in the paragraph headed “3. Reasons for and benefits of the entering into of the Master Australia JV Agreement and the Jewel JV Agreement” below).

As announced by the Company on 25 August 2014, the Group plans to actively participate in the development and operation of mixed-use property projects with a focus on hotels in international gateway cities and to hold the hotel component to be operated under Wanda’s brands (the existing brands include but not limited to Wanda Vista, Wanda Reign and Wanda Realm). The strategy of the Group with respect to these real property projects is to retain the commercial component and hotel as investment whereas the residential component will be sold if market conditions are favourable.

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B. *Financial information of the Group*

Set out below are the audited consolidated financial information of the Group for the two years ended 31 December 2012 and 31 December 2013 (“**FY2012**” and “**FY2013**”, respectively) as extracted from the 2013 Annual Report and the unaudited consolidated financial information of the Group for the six months ended 30 June 2013 and 30 June 2014 (“**PE2013**” and “**PE2014**”, respectively) as extracted from the 2014 Interim Results Announcement:

Table 1: Financial information of the Group

	FY2012	FY2013	PE2013	PE2014
	(audited)	(audited)	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2,773,419	1,347,995	1,146,089	88,728
- <i>Sales of properties</i>	2,728,045	1,231,746	1,090,925	26,699
- <i>Rental income</i>	43,124	94,423	45,139	53,619
- <i>Property management income</i>	2,250	21,826	10,025	8,410
Profit/(Loss) attributable to equity shareholders for the year	232,335	190,879	204,288	(57,803)
	As at	As at	As at	
	31 December	31 December	30 June	
	2012	2013	2014	
	(audited)	(audited)	(unaudited)	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Cash and cash equivalents	476,641	106,436	2,737,570	
Total Equity	791,140	1,346,317	3,671,464	

(i) *For the year ended 31 December 2013 (i.e. FY2013)*

It was mentioned in the 2013 Annual Report that the Group’s turnover significantly decreased by approximately 51.4% from approximately HK\$2,773.4 million in FY2012 to approximately HK\$1,348.0 million in FY2013, while turnover derived from sales of properties decreased by approximately 54.8%. The decrease in turnover (in particular, the part derived from sales of properties) was mainly due to that Hengli City was completed in 2012 and a significant part of the pre-sales of the project since 2009 were recognized in FY2012. Profit attributable to equity shareholders for FY2013 was approximately HK\$190.9 million, representing a decrease of approximately 17.8% as compared to FY2012. The decrease in profit attributable to equity Shareholders was mainly due to (i) decrease in valuation gain on investment properties; (ii) net loss on disposal of subsidiaries incurred during the year; (iii) impairment loss on goodwill, which was partly set off by: (a) increase in gross profit since properties with higher profit margin contributed to more sales in the year; (b) increase in gain on redemption of convertible bonds in the year and net gain on revaluation and cancellation of redemption right attached to the convertible bonds; and (c) decrease in finance cost.

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As at 31 December 2013, the Group's cash and cash equivalents and total equity amounted to approximately HK\$106.4 million and approximately HK\$1,346.3 million, respectively.

(ii) *For the six months ended 30 June 2014 (i.e. PE2014)*

With reference to the 2014 Interim Results Announcement, the Group's unaudited turnover for PE2014 was approximately HK\$88.7 million, representing a significant decrease of approximately 92.3% as compared to PE2013. The decrease was mainly due to (i) the disposal of a subsidiary in June 2013, which generated revenue of approximately HK\$875.5 million in PE2013; and (ii) a decline in revenue from the sales of property in Fuzhou of approximately HK\$188.7 million due to a show down of the property sales market in Fuzhou. The Group turned from a profit making position of approximately HK\$204.3 million in PE2013 to a loss making position of approximately HK\$57.8 million in PE2014. Such turnaround was mainly due to (i) a net valuation loss on investment properties of approximately HK\$148.4 million in PE2014 as compared to a net valuation gain of approximately HK\$3.8 million in PE2013; and (ii) a decrease in gross profit of HK\$404.2 million due to the decrease in revenue from the sales of properties, which was partly set off by (a) a decrease in income tax of approximately HK\$206.7 million; (b) an increase in other net income of approximately HK\$30.6 million; and (c) a decrease in finance cost of HK\$23.4 million.

As at 30 June 2014, the Group's cash and cash equivalents and total equity amounted to approximately HK\$2,737.6 million and approximately HK\$3,671.5 million, respectively. The Group's cash and cash equivalents and total equity increased by over 24 times and approximately 172.7% from the relevant figures as at 31 December 2013. Such improvement was mainly attributable to completion of issue of rights shares by the Company with the gross proceeds of approximately HK\$2,467.5 million in January 2014.

2. Information on Wanda HK

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

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

3. Reasons for and benefits of the entering into of the Master Australia JV Agreement and the Jewel JV Agreement

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

DWCP, the controlling shareholder of Wanda HK, is a prominent property developer and has a proven track record of property development. According to the official website of DWCP (www.wanda.cn), as at 29 August 2014, DWCP operates 98 Wanda Plazas and 60 five-star or

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super-five-star hotels across the PRC. By partnering with Wanda HK, the Board believes that the Company can leverage on the expertise and business networks of DWCP and its subsidiaries (the “**DWCP Group**”) and that the reputation and scale of DWCP will place the Group in a favourable position in negotiating with third parties on acquisitions and co-operations.

Indeed, following the change of the controlling Shareholder to Wanda Overseas (which is an indirect wholly-owned subsidiary of DWCP) in mid of 2013, the Company has formed several joint ventures with Wanda HK for the purposes of acquisition and development of real properties across the world. Details of which are set out below:

- (i) On 6 September 2013, the Company and Wanda HK entered into a shareholders’ agreement, pursuant to which the Company and Wanda HK agreed to establish a joint venture for the purposes of acquiring and owning a property at 1 Nine Elms Lane, London SW8 5NQ, the United Kingdom (the “**London Property**”), re-developing it into a high-end mixed-use hotel, residential and retail complex and operating such complex. Pursuant to the agreement, the joint venture is owned by the Company and Wanda HK as to 60% and 40%, respectively. Details of which were disclosed in the circular of the Company dated 30 September 2013. The acquisition of the London Property was completed in 2013. According to the 2014 Interim Results Announcement, the Company has commenced the demolition and relocation work in February 2014.
- (ii) On 27 February 2014, the Group entered into a joint venture agreement with Wanda HK for the acquisition and development of a piece of state-owned land in Guilin, Guangxi Zhuang Autonomous region, the PRC into a “Wanda Plaza” which comprises commercial and residential properties. The joint venture is held by the Company as to 51% and Wanda HK as to 49%. Details of which were disclosed in the circular of the Company dated 17 March 2014. According to the 2014 Interim Results Announcement, the joint venture agreement was approved by the independent shareholders of the Company on 3 April 2014. The pre-sale of Wanda Plaza has commenced at the end of July 2014 and the development is expected to be completed in the third quarter of 2015.
- (iii) On 4 June 2014, the Company and Wanda HK entered into a master joint venture agreement, pursuant to which the Company and Wanda HK would use Wanda Europe Real Estate Investment Co., Ltd. as the holding vehicle, and through its special purpose entities, to undertake acquisition and development of real property projects in the continent of Europe, excluding the United Kingdom. On the same day, the Company and Wanda HK entered into another joint venture agreement, pursuant to which the Company and Wanda HK will form a joint venture to re-develop the property located at Plaza de España, 19, 28008 Madrid, Spain (the “**Spain Property**”) into a high-end, mixed-use complex comprising residential, hotel and retail uses. Details of which were disclosed in the circular of the Company dated 25 June 2014. The relevant joint venture agreements were approved by the independent shareholders of the Company in the special general meeting of the Company held on 17 July

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2014. According to the 2014 Interim Results Announcement, subject to obtaining all the requisite planning approvals by the end of 2015 and construction work and pre-sale of the Spain Property commencing thereafter, the development of the Spain Property is expected to be completed by the end of 2019.

- (iv) On 8 July 2014, the Company and Wanda HK entered into a master joint venture agreement, pursuant to which the Company and Wanda HK would use Wanda Americas Real Estate Investment Co., Ltd. as the holding vehicle, and through its special purpose entities, to undertake acquisition and development of real property projects in the continents of North America and South America. On the same day, the Company and Wanda HK entered into another joint venture agreement, pursuant to which the Company and Wanda HK would form a joint venture to develop the property located at the property known as Sites C and D in Lakeshore East Subdivision in Chicago, Illinois, the United States of America (the “**Chicago Property**”). Details of which were disclosed in the circular of the Company dated 31 July 2014. The relevant joint venture agreements were approved by the independent shareholders of the Company in the special general meeting of the Company held on 15 August 2014. According to the 2014 Interim Results Announcement, it is estimated that the relevant zoning approvals for the Chicago Property will be obtained by January 2016 and pre-sale of the Chicago Property shall commence thereafter. Assuming that all the planning approvals and permits are obtained by March 2016, it is further estimated that construction work for the Chicago Property will commence around October 2016 and be completed around September 2018.

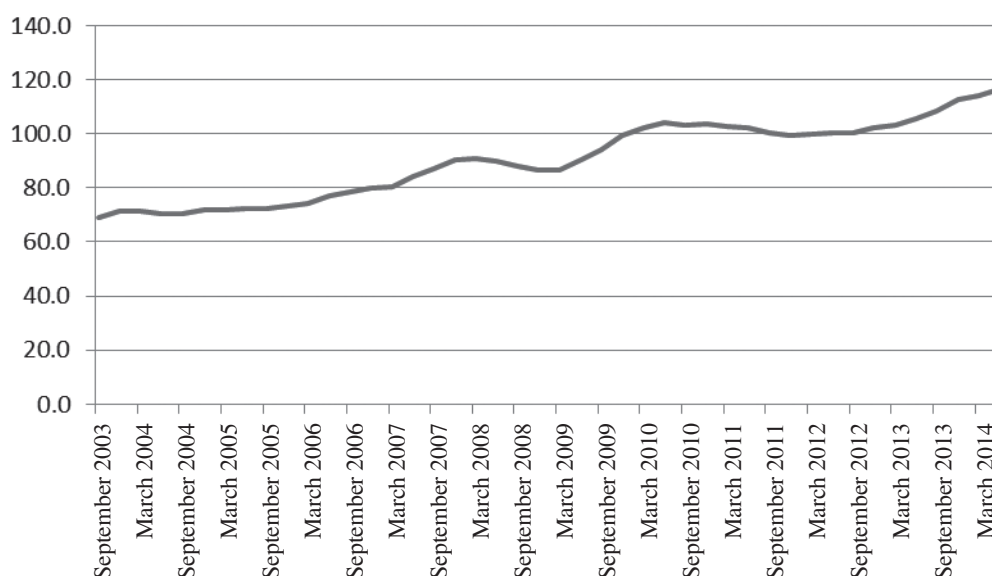
Subsequent to the penetration in the PRC, Europe and the United States of America, the Group now contemplates to expand its footprint to Australia. Accordingly, on 11 August 2014, the Company and Wanda HK entered into the Master Australia JV Agreement pursuant to which the Company and Wanda HK will use Wanda Australia as the holding vehicle and, through the SP Entities (which are subsidiaries of Wanda Australia), to jointly undertake acquisition and development of Real Property Projects in Australia. Wanda Australia is and will remain owned as to 60% by the Company and 40% by Wanda HK (excluding the interest held through the Company).

Australia is an island continent and the world’s sixth largest country of approximately 7,682,300 square kilometers with a population of over 23 million people. Currently, Australia ranks as the third economically free country out of forty-two countries in the Asia Pacific region according to the “*2014 Index of Economic Freedom*” published by the Wall Street Journal and the Heritage Foundation, and is listed as the second country with very high human development (ranked with reference to human development index, being a composite statistic of life expectancy, education and income indices used to rank countries into four tiers of human development) pursuant to the “*Human Development Report 2013*” published by the United Nations Development Programme. Australia is one of the largest capitalist economies in the world with a gross domestic product (“**GDP**”) of US\$1.5 trillion in 2013. According to the “*Global Wealth Report 2013*” issued by Credit Suisse in October 2013, Australia’s wealth per adult of approximately USD402,600 ranks as the second highest in the world after Switzerland. More importantly, its median wealth of USD219,500 is the highest in the world. In Australia, residential property market is the single largest asset class with a total estimated value of A\$5.2 trillion (equivalent to approximately HK\$37.7 trillion) as at January 2014. Benefitting from low interest rate together with the recent deceleration of Australia dollar, residential property is expected

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to remain well supported by buyers. As illustrated in “*Chart 1: Australia’s Residential Property Price Index*” below, Australia residential property price index shows an upward trend in the past decade.

Chart 1: Australia’s Residential Property Price Index



Resource: Australian Bureau of Statistics

Note: Residential Property Price Index (RPPI) is an aggregation of the Established House Price Index (HPI) and the Attached Dwellings Price Index (ADPI), measuring the price changes in all residential dwellings within the eight greater capital city statistical areas in Australia (namely Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Darwin and Canberra) between two periods.

Australia is one of the hottest tourist destinations in the world. In accordance with the “*International Visitors in Australia*” published by Tourism Research Australia, Australia attracted over 6 million international visitors for the year ended 31 March 2014, spending in aggregate of approximately A\$29.6 billion (equivalent to approximately HK\$214.6 billion) over the trips. Asian tourists continued its strong growth, among which, tourists from China increased by 14% to approximately 697,000 and their expenditure increased by 15% to approximately A\$5.1 billion (equivalent to approximately HK\$37.0 billion). According to the “*Tourism Forecasts*” issued by Tourism Research Australia in June 2014, inbound visitors are forecasted to increase 5.7% in 2014 – 15.

By establishing a joint venture platform through Wanda Australia, we concur with the Board’s belief that it will provide a more responsive structure for the Group to capture such windows of opportunities as they arise in Australia. Wanda Australia will also enable the Group to better co-ordinate its resources and with its joint venture partner, Wanda HK, in capitalizing on such suitable opportunities, against the backdrop of an accumulated HK\$12,500 million limit in total acquisition and development costs.

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As stated in the Letter from the Board, on 11 August 2014, the Company and Wanda HK entered into the Jewel JV Agreement in relation to Wanda Australia Commercial's interest in the Jewel Project Co, pursuant to which such interest will be indirectly held through Wanda Australia. The Jewel Property is located on Old Burleigh Road facing the beach of the Gold Coast in Queensland, Australia, with a total site area of approximately 11,355 square meters (the "**Site**"). According to the approval granted by the Minister for State Development, Infrastructure and Planning, the Queensland Government dated 3 September 2012 in respect of the development application of the Jewel Property (the "**Development Approval**"), the Site can be developed into a mixed use development comprising three (3) high rise buildings containing a resort hotel, apartments, cafe, convenience shop, office (recording studio), restaurant, shop, take-away food premises and vehicle hire office. The Site has a potential development of total gross floor area of approximately 90,456 square meters.

With its beautiful beaches, amazing views and subtropical climate and nightlife, Gold Coast is one of the most beloved vacation holiday spots in Australia. According to the "*2013 International Visitors in Australia*" published by Tourism Research Australia in June 2013, for the year ended 30 June 2013, Gold Coast was the travel destination of approximately 778,000 international visitors, representing an annual growth rate of approximately 4.1% as compared with the corresponding period in 2012. Apart from the international visitors, Gold Coast is also a popular place for domestic overnight travelers, attracted approximately 3,664,000 Australians for the year ended 30 June 2013. Benefiting from the solid growth in the tourism industry, it is believed that there is a significant demand for hotel facilities in Gold Coast. According to the "*Housing Market Review - Gold Coast, Queensland*" issued by RP Data¹ in May 2014, over the 12 months to March 2014, Gold Coast dwelling values rose by 3.8%. It is estimated by RP Data that over 16,400 residential properties in Gold Coast have been sold for the year ended February 2014, representing an annual growth rate of approximately 33.6% as compared to the previous year. It is predicted that premium apartments and accommodation in Gold Coast are in demand from local as well as foreign buyers. In view of the above, the Management considers, and we concur, that it is a good opportunity for the Group to penetrate into the property market in Australia (including but not limited to the proposed acquisition of the Jewel Property) which is in line with the Group's strategy of seeking to diversify its sources of income.

Furthermore, as announced by the Company on 25 August 2014, the Company, DWCP and Wanda HK, both the controlling Shareholders, entered into a memorandum of understanding in which the parties have expressed their intention to establish the Group as a platform for the investment and operation of hotels under Wanda's brands in overseas markets. Both DWCP and Wanda HK expressed their continued support to the Group for the aforesaid business direction, and the Group plans to actively participate in the development and operation of mixed-use property projects with a focus on hotels in international gateway cities and to hold the hotel component to be operated under Wanda's brands (the existing brands include but not limited to Wanda Vista, Wanda Reign and Wanda Realm).

¹ RP Data is the licensed provider of Australia Government sourced property information. It is owned by Corelogic Inc, a NYSE listed company (CLGX). The company provides financial, property and consumer information, analytics and services to business and government services in Australia and New Zealand.

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At present, in addition to the Jewel Project, the Group has real property projects in the United Kingdom, Spain and the United States of America, and all these real property projects feature a luxury hotel with residential and commercial components. The strategy of the Group with respect to these real property projects is to retain the commercial component and hotel as investment whereas the residential component will be sold if market conditions are favourable. As the Group will focus on major international gateway cities which attract large tourism and business travel and a growing trend of international tourists, the Company expects that the hotel development business of the Group will grow over the years and become an important part of the Group's operating activities. Further, the Group will continue to seek investment opportunities, including partnering with DWCP, with a view to enhancing the Group's profit and maximizing the interest of the Shareholders. In view of the above, we concur with the Board's view that the formation of the joint ventures pursuant to the Master Australia JV Agreement and the Jewel JV Agreement will offer an opportunity for the Group to develop towards the aforementioned new business direction.

Having taken into account the facts that (i) the Group plans to actively participate in the development and operation of mixed-use property projects with a focus on hotels in international gateway cities and to hold the hotel component to be operated under Wanda's brands; (ii) DWCP, the controlling shareholder of Wanda HK, is a prominent property developer and has a proven track record of property development; (iii) by formation of joint ventures with Wanda HK, the Company can leverage on the expertise and business networks of the DWCP Group; (iv) the reputation and scale of DWCP will place the Group in a favourable position in negotiating with third parties on acquisitions and co-operations; (v) the Company, DWCP and Wanda HK intended to establish the Group as a platform for the investment and operation of hotels under Wanda's brands in overseas markets; (vi) the residential property price in Australia shows an upward trend; (vii) new hotel facilities and new residential development in Gold Coast are in demand; and (viii) the Jewel Project is currently the only Real Property Project in Australia undertaken the Group and the Company has sufficient funding to fulfill the capital commitment of the Company under the Jewel JV Agreement (details of which were discussed in the sub-paragraph headed "*A. Principal terms of the Master Australia JV Agreement*" under the paragraph headed "*4. The Master Australia JV Agreement*" below), we concur with the Directors' view that the entering into of the Master Australia JV Agreement and the Jewel JV Agreement is in the interests of the Company and the Shareholders as a whole.

Shareholders should be reminded that the Jewel JV Agreement and the Master Australia JV Agreement are not inter-conditional with each other.

4. The Master Australia JV Agreement

A. *Principal terms of the Master Australia JV Agreement*

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

(i) *Scope of business*

Wanda Australia will be the holding company of all the joint ventures between the Company and Wanda HK for all Real Property Projects in Australia. Accordingly, the Company's and Wanda HK's interest in each individual Real Property Project will be pro rata to their shareholdings in Wanda Australia. No change of the aforesaid business scope will be allowed except with the unanimous consent of both the Company and Wanda HK.

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We have discussed with the Management in this regard and were given to understand that the Company and Wanda HK will share the profits of Wanda Australia and its subsidiaries (including the SP Entities) in proportion to their shareholdings in Wanda Australia. Also, the liability of the Company and Wanda HK on Wanda Australia will be limited to the amount paid by each of them on their respective shares in Wanda Australia in the event of Wanda Australia's winding-up. We consider that it is a normal and fair commercial practice by linking up the profit sharing and the liability of the joint venture with the respective shareholding.

(ii) *Funding*

It is provided under the Master Australia JV Agreement that the aggregate of all acquisition costs and development costs of the Real Property Projects undertaken by all SP Entities and funded by the Company and Wanda HK shall not exceed HK\$12,500 million and will be contributed by the Company and Wanda HK pro rata to their shareholdings in Wanda Australia. Based on the Company's and Wanda HK's shareholding in Wanda Australia (being 60% and 40%, respectively), the maximum amount of the capital commitment of the Company under the Master Australia JV Agreement will be HK\$7,500 million and the remaining HK\$5,000 million will be provided by Wanda HK.

As stated in the Letter from the Board, the aggregate capital commitment of HK\$12,500 million is determined with reference to, among other things, the current real property market in Australia and the expected acquisition and development costs for suitable Real Property Projects. We understand from the Management that it is the Group's intention to develop commercial properties together with DWCP (being the controlling shareholder of Wanda HK) by forming joint ventures in Australia. Wanda Australia will set up a new SP Entity to undertake the acquisition and development of each Real Property Project. When a new SP Entity is established, the Company and Wanda HK shall enter into further Project Level JV Agreement with respect to such SP Entity and the relevant Real Property Project on terms similar to the Jewel JV Agreement. Pursuant to the Jewel JV Agreement, the aggregate capital commitment of the Company and Wanda HK amounts to HK\$2,103 million. The capital commitment of the Company and Wanda HK under the Master Australia JV Agreement is equivalent to approximately 6 times of that under the Jewel JV Agreement. In view of the above, we consider that the capital commitment of HK\$12,500 million under the Master Australia JV Agreement provides sufficient buffer for the development of future Real Property Projects in Australia and thus the amount of the capital commitment is justifiable.

The capital commitment of parties to the Master Australia JV Agreement may be in the form of equity, loan or otherwise and any guarantee or indemnity. We were advised by the Management that the Company and Wanda HK have not set a fixed timetable for the contribution of their respective commitment under the Master Australia JV Agreement. The Company shall discuss the timing of the funding contribution with Wanda HK once they identify additional Real Property Projects in Australia and/or enter into formal agreements in respect of such additional Real Property Projects.

Currently, the only Real Property Project in Australia undertaken by the Group is the Jewel Project. The Company expects to finance its capital commitment under the Master Australia JV Agreement by (i) the Company's internal resources in the amount of approximately HK\$250 million; (ii) debt financing; and/or (iii) equity financing. According to the Letter from the Board, the Company's total available funding amounts to HK\$1,977 million and is sufficient to finance its capital

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commitment of HK\$1,262 million under the Jewel JV Agreement, which is the amount of capital currently required of the Company under the Master Australia JV Agreement. Although the Company does not have immediate funding requirement for now, as at the Latest Practicable Date, the Company is in the process of negotiating additional credit facility from other third party financial institutions on terms that are commercial, viable and acceptable to the Group but the Company has not yet entered into any formal agreement in respect of the same. The Company aims to obtain additional credit facility which may be used for the development of the Jewel Project and other Real Property Projects in Australia to be taken up by Wanda Australia Commercial, if any, by the end of 2014. However, the exact timing and amount of which will be subject to negotiations with the relevant financial institutions. As at the Latest Practicable Date, the Company has no plan to conduct any equity financing.

Furthermore, we noted from the paragraph headed “Working Capital” in Appendix I to the Circular that the Directors, after due and careful consideration, are of the opinion that, after taking into account the financial resources available to the Group, including its internally generated funds, the available credit loan facilities and the available shareholder’s loans, the Group has sufficient working capital for its present requirements for at least twelve months from the date of the Circular in the absence of unforeseeable circumstances.

(iii) *Board composition*

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

We consider that this provision empowers the Group to control the composition of the board of directors of Wanda Australia and the SP Entities and, in turn, the operation and business of Wanda Australia and the SP Entities. By nominating suitable candidates, we believe that the board of directors of Wanda Australia and the SP Entities will act in the interest of the Group when making decisions. As such, we are of the view that this provision is in the interest of the Company and the Shareholders as a whole.

(iv) *Reserved matters*

According to the Master Australia JV Agreement, the Company and Wanda HK are restricted by certain matters in respect of Wanda Australia, including but not limited to (i) the issue or allotment of any share capital of Wanda Australia or the creation of any option or right to subscribe or acquire, or convert any security into, any share capital of Wanda Australia; (ii) the purchase or redemption of any share capital of Wanda Australia; (iii) any resolution to wind up Wanda Australia; and (iv) any material change in the nature or scope of the business, unless prior consent is granted by the counter party to the agreement. Details of which are disclosed in the paragraph headed “*B. FORMATION OF A JOINT VENTURE FOR REAL PROPERTY PROJECTS IN AUSTRALIA*” in the Letter from the Board (the “**Reserved Matters Requirements**”). We agree with the Directors’ view that the Company’s interest in Wanda Australia can be further protected by the Reserved Matters Requirements.

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(v) *Disposal of shares*

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

As mentioned in the paragraph headed “3. *Reasons for and benefits of the entering into of the Master Australia JV Agreement and the Jewel JV Agreement*” above, by partnering with Wanda HK, the Company can leverage on the expertise and business networks of the DWCP Group and that the reputation and scale of DWCP will place the Group in a favourable position in negotiating with third parties on acquisitions and co-operations. We are of the same opinion as the Directors that such restriction would impose Wanda HK’s commitment on Wanda Australia and, in turn, prevent potential adverse impact on the Company from unexpected disposal of interest in Wanda Australia by Wanda HK.

(vi) *Events of default*

If an event of default (for example, any disposal of any interest of Wanda Australia in breach of the Master Australia JV Agreement, any material or persistent breach of the provisions of the Master Australia JV Agreement or any change of control or insolvency of the Company or Wanda HK, breach of or failure to perform the obligations under the Project Level JV Agreement by the Company or Wanda HK) occurs, the innocent joint venture partner of Wanda Australia will have the right to buy out the interest of the defaulting joint venture partner in Wanda Australia at a price equal to the fair value of such interest, the determination of which was disclosed in the paragraph headed “B. *FORMATION OF A JOINT VENTURE FOR REAL PROPERTY PROJECTS IN AUSTRALIA*” in the Letter from the Board. We are of the view that such default term can protect the Company’s interest in Wanda Australia.

In order to assess the fairness and reasonableness of the terms of the Master Australia JV Agreement, we have identified notifiable and/or connected transactions in relation to formation of joint ventures relating to property development entered into by companies listed on the Stock Exchange, for the six months period immediately prior to the date of the Master Australia JV Agreement (i.e. commencing from 11 February 2014 and ending on 11 August 2014, the “**Review Period**”) (the “**Comparable Transactions**”). We are of the view that the Comparable Transactions falling under the Review Period provide us with sufficient and recent samples on market practice in respect of formation of joint ventures relating to property development for our analysis. To the best of our knowledge and as far as we are aware of, we identified 12 transactions which met the said criteria, being an exhaustive list of the Comparable Transactions. In view of the fact that the purpose of entering into the joint venture agreement in respect of each of the Comparable Transactions is to form joint venture(s) relating to property development, which is similar to that of the Master Australia JV Agreement, we consider that the Comparable Transactions are fair and representative samples for comparison to the Master Australia JV Agreement.

Shareholders should note that the businesses, operations and prospects of the joint ventures to be established under the terms of Master Australia JV Agreement are not identical to those of the Comparable Transactions. The Comparable Transactions should merely be used to provide a general reference for the common market practice in recent transactions in relation to formation of joint ventures relating to property development entered into by companies listed on the Stock Exchange. Details of the Comparable Transactions are summarized as below:

Table 2: Details of the Comparable Transactions

Announcement date	Company name	Stock code	Shareholders of the joint venture company	Scope/objective of joint venture	Nomination of board of directors	Profit sharing	Capital commitment
1. 26 February 2014	Cosmopolitan International Holdings Limited	120	(i) 82.5% held by Beijing FuLi Management Company Limited (“ FuLi ”); and (ii) 17.5% held by Beijing Qihai Investment Company Limited (the “ Beijing Company ”)	To develop buildings for the purposes of housing resettlement in Tongzhou, Beijing, the PRC.	FuLi and the Beijing Company are entitled to appoint 4 directors and 1 director of the joint venture company respectively.	Profits of the joint venture company shall be allocated pro-rata among its shareholders based on their shareholdings held provided that FuLi is entitled to receive, in priority to the Beijing Company, any dividends payable or attributable to the Beijing Company from the joint venture company until FuLi has fully received a return equivalent to RMB3 million plus a sum calculated at the per annum rate of 8% of the advance.	Capital commitment is proportional to the shareholding of FuLi and the Beijing Company in the joint venture company
2. 27 February 2014	Wanda Commercial Properties (Group) Co., Limited	169	(i) 51% held by the Company; and (ii) 49% held by Wanda HK	To acquire, own and develop the Guilin Land into a “Wanda Plaza”, which typically comprises commercial and residential properties.	The Company is entitled to appoint the sole director of the joint venture company.	Profit of the joint venture company shall be shared by the Company and Wanda HK according to their respective shareholding in the joint venture company.	Capital commitment is proportional to the shareholding of the Company and Wanda HK in the joint venture company.

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Announcement date	Company name	Stock code	Shareholders of the joint venture company	Scope/objective of joint venture	Nomination of board of directors	Profit sharing	Capital commitment
3. 4 April 2014	Nine Dragons Paper (Holdings) Limited	2689	(i) 50% held by Master Pace Limited (" Master Pace "); and (ii) 50 % held by Newton Properties Limited (" Newton Properties ")	To co-invest in the Property, a newly developed Grade A office building located in Kowloon East.	The board of the joint venture will comprise 4 directors, of which 2 would be appointed by Master Pace and 2 would be appointed by Newton Properties.	N/A	Capital commitment is proportional to the shareholding of Master Pace and Newton Properties in the joint venture company.
4. 10 April 2014	Kai Shi China Holdings Co. Ltd.	1281	(i) 52% held by Dalian Kai Shi Property Company Limited (" Dalian Kai Shi "); and (ii) 48% held by Dalian Urban-Rural Integration Construction and Development Fund (Limited Partnership) (" Dalian Fund Management (Limited Partnership) ")	To serve as the platform for construction and development of a construction project in Dalian, the PRC	The board of the joint venture company shall comprise 5 directors, of which 3 directors would be appointed by Dalian Kai Shi and 2 directors would be appointed by Dalian Fund Management (Limited Partnership). The chairman of the board of directors of the joint venture company would be appointed by Dalian Kai Shi.	The profit and loss of the joint venture company will be shared by Dalian Kai Shi and Dalian Fund Management (Limited Partnership) in proportion to their respective contribution to the registered capital of the joint venture company.	Capital commitment is proportional to the shareholding of Dalian Kai Shi and Dalian Fund Management (Limited Partnership) in the joint venture company.
5. 10 April 2014	Kaisa Group Holdings Ltd.	1638	(i) 51% held by Kaisa Group (Shenzhen) Co., Ltd. (" Kaisa Shenzhen "); and (ii) 49% held by Sino Life Insurance Co., Ltd (" Sino Life ")	To hold and develop a land in Shenzhen, the PRC	N/A	Any profits, losses and risks of the joint venture company shall be shared by Kaisa Shenzhen and Sino Life according to their respective shareholding in the Joint Venture Company.	N/A
6. 4 June 2014	Wanda Commercial Properties (Group) Co., Limited	169	(i) 60% held by the Company; and (ii) 40% held by Wanda HK	To undertake acquisition and development of real property projects in Continental Europe	The Company is entitled to appoint all directors to the board of the joint venture companies	Profit of the joint venture companies shall be shared by the Company and Wanda HK according to their respective shareholding in the joint venture companies.	Capital commitment is proportional to the shareholding of the Company and Wanda HK in the joint venture companies.

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Announcement date	Company name	Stock code	Shareholders of the joint venture company	Scope/objective of joint venture	Nomination of board of directors	Profit sharing	Capital commitment
7. 2 July 2014	Peking University Resources (Holdings) Co. Ltd.	618	(i) 60% held by Beijing Tianranju Technology Co., Ltd ("Beijing Tianranju"); (ii) 20% held by Tianjin Xinronghua Real Estate Agency Company Limited ("Tianjin Xinronghua"); and (iii) 20% held by Tianjin Jindong Real Estate Investment Development Group Company Limited ("Tianjin Jindong")	To engage in property development, commercial leasing, commercial property retail and consultation service related	N/A	N/A	Capital commitment is proportional to the shareholding of Beijing Tianranju, Tianjin Xinronghua and Tianjin Jindong in the joint venture company.
8. 2 July 2014	Top Spring International Holdings Limited	3688	(i) 50% held by Scarborough Singapore Holdings Limited ("Scarborough Singapore"); (ii) 25% held by Top Spring International (UK) Limited ("Top Spring"); and (iii) 25% held by Sun Capital Assets Pte. Ltd. ("Sun Capital")	To carry out the trade and business of property developers (including the development of two sites in Manchester, England)	Scarborough Singapore, Top Spring and Sun Capital are entitled to nominate two, one and one directors, respectively, to the board of directors of the joint venture company.	N/A	Capital commitment is proportional to the shareholding of Scarborough Singapore, Top Spring and Sun Capital in the joint venture company.
9. 8 July 2014	Wanda Commercial Properties (Group) Co., Limited	169	(i) 60% held by the Company; and (ii) 40% held by Wanda HK	To undertake acquisition and development of real property projects in the United States of America	The Company is entitled to appoint all directors to the board of the joint venture companies	Profit of the joint venture companies shall be shared by the Company and Wanda HK according to their respective shareholding in the joint venture companies.	Capital commitment is proportional to the shareholding of the Company and Wanda HK in the joint venture companies.

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Announcement date	Company name	Stock code	Shareholders of the joint venture company	Scope/objective of joint venture	Nomination of board of directors	Profit sharing	Capital commitment
10. 17 July 2014	Tang Palace (China) Holdings Limited	1181	(i) 30% held by Tang & Rich Holdings (II) Limited (“ TRHII ”); and (ii) 70% held by Shin Yeh Restaurant Group Inc. (“ Shin Yeh ”)	To expand the PappaRich operations into Taiwan through the opening of more outlets in Taiwan	TRHII is entitled to nominate one candidate and Shin Yeh is entitled to nominate two candidates to serve as directors of the joint venture company.	N/A	Capital commitment is proportional to the shareholding of TRHII and Shin Yeh in the joint venture company.
11. 30 July 2014	Modern Beauty Salon Holdings Limited	919	(i) 51% held by Main Deal Limited (“ Main Deal ”); and (ii) 49% held by Mr. Alisha Khodr (“ Mr. Khodr ”)	To achieve the goals of operating, expanding and diversifying the Beauty and Skincare Business through the manufacture of the Advanced Natural products in Australia, the wholesale and/or the retail of Advanced Natural products internationally in Europe, Australia, Middle-East, the People’s Republic of China and Southeast Asia	Main Deal and Mr. Khodr are entitled to nominate three and two directors, respectively, to the board of directors of the joint venture company.	N/A	N/A
12. 7 August 2014	China Resources Land Limited	1109	(i) 55% held by China Resources Land (Beijing) Limited (“ CRL (Beijing) ”); and (ii) 45% held by Shenzhen Runxin No. 4 Investment Partnership Enterprise (Limited Partnership) (“ Shenzhen Runxin IV ”)	To develop the Mentougou Land with a floor area of approximately 29,235.04 square meters located in Mentougou District, Beijing, PRC	CRL (Beijing) and Shenzhen Runxin IV are entitled to nominate three and two directors, respectively.	N/A	Capital commitment is proportional to the shareholding of CRL (Beijing) and Shenzhen Runxin IV in the joint venture company.

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We noted from “*Table 2: Details of the Comparable Transactions*” above that the principal terms of the Comparable Transactions, in general, include (i) major shareholder’s entitlement to appoint the majority number of the board members of the joint venture; (ii) profit sharing of the joint venture in proportion to the shareholding in the joint venture; and (iii) capital commitment in the joint venture in proportion to the shareholding in the joint venture. The principal terms of the Master Australia JV Agreement are in line with that of the Comparable Transactions.

In respect of the details of the Master Australia JV Agreement, please refer to the paragraph headed “*B. FORMATION OF A JOINT VENTURE FOR REAL PROPERTY PROJECTS IN AUSTRALIA*” in the Letter from the Board.

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

- (i) the respective capital commitment of the Company and Wanda HK (i.e. HK\$7,500 million and HK\$5,000 million, respectively) reflects their respective equity interests in Wanda Australia;
- (ii) the aggregate capital commitment of the Company in Wanda Australia will be capped at HK\$7,500 million;
- (iii) the Company is entitled to appoint all directors of the board of Wanda Australia and each SP Entity which allows the Company to control the composition of the board of directors of Wanda Australia and the SP Entities and, in turn, the operation and business of Wanda Australia and the SP Entities;
- (iv) the Company’s interest in Wanda Australia can be further protected by the Reserved Matters Requirements;
- (v) the restriction on disposal of interests of Wanda Australia would impose Wanda HK’s commitment on Wanda Australia and, in turn, prevent potential adverse impact on the Company from unexpected disposal of interest in Wanda Australia by Wanda HK;
- (vi) the innocent joint venture partner of Wanda Australia will have the right to buy out the interest of the defaulting joint venture partner in Wanda Australia if an event of default occurs; and
- (vii) the principal terms of the Master Australia JV Agreement are in line with that of the Comparable Transactions,

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

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B. *Possible financial effects of the formation of Wanda Australia*

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

(i) *Effects on net asset value and earnings*

As extracted from the unaudited financial statements of the Group for the six months ended 30 June 2014, the consolidated net assets value of the Group was approximately HK\$3,671 million as at 30 June 2014. The formation of the joint ventures pursuant to the Master Australia JV Agreement will have no immediate material impact on the consolidated earnings of the Group as well as the net asset value attributable to equity shareholders of the Company.

(ii) *Effects on gearing*

According to the unaudited financial statements of the Group for the six months ended and as at 30 June 2014, the Group had interest bearing debts of approximately HK\$2,074.4 million, which was less than the Group's total bank and cash balances of HK\$2,820.8 million. The Group was therefore in a net cash position as at 30 June 2014. As announced, the Company has obtained a 10-year term loan facility of up to an aggregate amount of USD162 million from Wanda HK on 4 June 2014. Such facility has not yet been drawn down. Should any amount of the capital commitment of the Company under the Master Australia JV Agreement be financed by debt financing, the gearing ratio may increase further.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon the formation of the joint ventures pursuant to the Master Australia JV Agreement.

C. *Recommendation on the Master Australia JV Agreement*

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

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5. The Jewel JV Agreement

A. *Principal terms of the Jewel JV Agreement*

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

(i) *Board composition*

The Company is entitled to appoint all the directors of Wanda Australia Commercial and all the directors of the Jewel Project Co that Wanda Australia Commercial is entitled to appoint subject to the terms of the Subscription and Shareholders Agreement.

We consider that this provision empowers the Group to control the composition of the board of directors of Wanda Australia Commercial and, in turn, the operation and business of Wanda Australia Commercial. By nominating suitable candidates, we believe that the board of directors of Wanda Australia Commercial will act in the interest of the Group when making decisions. As such, we are of the view that this provision is in the interest of the Company and the Shareholders as a whole.

(ii) *Capital commitment*

The total capital commitments (whether equity, loan or otherwise and any guarantee or indemnity) to be provided by the Company and Wanda HK under the Jewel JV Agreement shall not exceed HK\$2,103 million, of which HK\$1,262 million will be provided by the Company and HK\$841 million will be provided by Wanda HK. The total capital commitment was determined after arm's length negotiations between the Company and Wanda HK, with reference to Wanda Australia Commercial's capital commitment to the Jewel Project Co of A\$290 million (equivalent to approximately HK\$2,103 million), inclusive of the subscription price of the 55% interests in the Jewel Project Co, the initial capital contribution and project funding not covered by bank loans. With reference to the Letter from the Board, the subscription price of the 55% interests in the Jewel Project Co was determined with reference to, amongst other things, the valuation of the Jewel Property. In assessing the fairness and reasonableness of the valuation of the Jewel Property, we have reviewed the Valuation Report prepared by the Valuers, the content of which is set out in Appendix II to the Circular. For our due diligence purpose, we have reviewed the Valuation Report and enquired into the Valuers on the methodologies adopted and the basis and assumptions adopted in arriving at the valuation in order for us to understand the Valuation Report. Moreover, we have acknowledged the Valuers' qualifications, expertise and independence to the Group, DWCP, Wanda HK, Wanda Overseas, Wanda Australia, Wanda Australia Commercial, Li and the Jewel Project Co or their respective subsidiaries or associates.

Upon our review on the Valuation Report and our discussion with the Valuers, we are of the view that the basis and assumptions as well as the input variables in the valuation of the Jewel Property were adopted by the Valuers after due and careful consideration and with reference to their experience in valuing properties in Australia.

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Furthermore, we were advised by the Valuers that they have made use of the development plan of the Jewel Property provided by DWCP. We obtained from the Valuers and reviewed the development plan of the Jewel Property. We are not aware of any discrepancy between the figures in the development plan and those as disclosed in the Valuation Report.

In addition, we noted that the Valuers assumed the development of the Jewel Property will encompass 188 hotel rooms as per advice provided by the Jewel Project Co and supported by the Company. However, the Development Approval has an entitlement of 153 hotel rooms some of which are considerably large. As advised by the Company, the Development Approval was a Queensland Government Ministerial Call In and therefore, any person seeking a ‘permissible change’ to the Development Approval must do so under a “Chapter 6, Part 8, Subdivision 2” procedure for changing approvals, subject to Section 369 of the Sustainable Planning Act 2009, which usually takes at least 30 business days (plus possibly an extra 20 days if both the applicant and State agree) and is a relatively straight forward process so long as the change is considered to be minor and deemed to be permissible. The Company believes that reconfiguring the internal layouts would be considered as such.

Furthermore, we noted from the Valuation Report that the Jewel Property is subject to an adopted infrastructure charge notice with a total consideration of A\$5,850,169.28 (charge rates may be subject to index adjustments and/or reviews) according to the adopted infrastructure charge notice dated 6 September 2012 and issued by the Gold Coast City Council (the “**Adopted Infrastructure Charge Notice**”). The due date for payment is payable prior to final plumbing inspection, use commencing or sealing of registrable plans of subdivision, whichever occur first. The infrastructure charge is the responsibility of the Jewel Project Co, which shall be paid prior to the commencement of development as per the approval. In view of the above, we consider it appropriate to take into account of the payable infrastructure charge when arriving at the valuation of the Jewel Property.

Having considered the above, we are of the opinion that the valuation of the Jewel Property is fair and reasonable.

The respective capital commitment of the Company and Wanda HK under the Jewel JV Agreement is proportional to their respective interest in Wanda Australia Commercial. Nevertheless, Wanda HK shall be responsible for any additional project funding of the Jewel Project Co, over A\$290 million by provision of loan or arranging of bank borrowing.

The capital commitment of the Company in relation to the formation of the joint venture under the Jewel JV Agreement is expected to be funded by (i) the Company’s internal resources; (ii) debt financing; and/or (iii) equity financing. As at the Latest Practicable Date, the Company has a total available funding of HK\$1,977 million which is more than its capital commitment of HK\$1,262 million under the Jewel JV Agreement. For the development of the Jewel Project, the Company expects that 60% of the total costs (which is estimated to be A\$540 million (equivalent to

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approximately HK\$3,915 million)) will be funded by bank loans and 40% of which (which is estimated to be A\$360 million (equivalent to approximately HK\$2,610 million)) will be funded by the shareholders of the Jewel Project Co. The Jewel Project Co will obtain the necessary funding prior to commencement of the relevant phases of development, if required.

Furthermore, we noted from the paragraph headed “Working Capital” in Appendix I to the Circular that the Directors, after due and careful consideration, are of the opinion that, after taking into account the financial resources available to the Group, including its internally generated funds, the available credit loan facilities and the available shareholder’s loans, the Group has sufficient working capital for its present requirements for at least twelve months from the date of the Circular in the absence of unforeseeable circumstances.

In order to assess the fairness and reasonableness of the terms of the Jewel JV Agreement, we compared the terms of the Jewel JV Agreement with that of the Comparable Transactions (details of which are set out in “*Table 2: Details of the Comparable Transactions*” above) and noted that the principal terms of the Jewel JV Agreement are in line with that of the Comparable Transactions.

In respect of the details of the Master Australia JV Agreement, please refer to the paragraph headed “*G. FORMATION OF A JOINT VENTURE IN RELATION TO WANDA AUSTRALIA COMMERCIAL’S INTEREST IN THE JEWEL PROJECT CO*” in the Letter from the Board.

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

- (i) the respective capital commitment of the Company and Wanda HK (i.e. HK\$1,262 million and HK\$841 million, respectively) reflects their respective equity interests in Wanda Australia Commercial;
- (ii) the aggregate capital commitment of the Company in Wanda Australia Commercial will be capped at HK\$1,262 million;
- (iii) the Company is entitled to appoint all directors of the board of Wanda Australia Commercial which allows the Company to control the composition of the board of directors of Wanda Australia Commercial and, in turn, the operation and business of Wanda Australia Commercial;
- (iv) the principal terms of the Jewel JV Agreement are in line with that of the Comparable Transactions,

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

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B. *Possible financial effects of the formation of Wanda Australia Commercial*

As the Company holds 60% of the issued share capital of Wanda Australia Commercial, and by virtue of the terms of the Jewel JV Agreement, Wanda Australia Commercial will become a subsidiary of the Company and its financial results will be consolidated into the results of the Group.

(i) *Effects on net asset value and earnings*

As extracted from the unaudited financial statements of the Group for the six months ended 30 June 2014, the consolidated net assets value of the Group was approximately HK\$3,671 million as at 30 June 2014. The formation of the joint venture pursuant to the Jewel JV Agreement will have no immediate material impact on the consolidated earnings of the Group as well as the net asset value attributable to equity shareholders of the Company.

(ii) *Effects on gearing*

According to the unaudited financial statements of the Group for the six months ended and as at 30 June 2014, the Group had interest bearing debts of approximately HK\$2,074.4 million, which was less than the Group's total bank and cash balances of HK\$2,820.8 million. The Group was therefore in a net cash position as at 30 June 2014. As announced, the Company has obtained a 10-year term loan facility of up to an aggregate amount of USD162 million from Wanda HK on 4 June 2014. Such facility has not yet been drawn down. Should any amount of the capital commitment of the Company under the Jewel JV Agreement be financed by debt financing, the gearing ratio may increase further.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon the formation of the joint venture pursuant to the Jewel JV Agreement.

C. *Recommendation on the Jewel JV Agreement*

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Jewel JV Agreement are fair and reasonable, and on normal commercial terms and in the ordinary and usual course of business of the Group; and (ii) the transactions contemplated under the Jewel JV Agreement are in the interests of the Company and the Shareholders as a whole.

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Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Jewel JV Agreement and the transactions contemplated thereunder and we ourselves recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Astrum Capital Management Limited
Hidulf Kwan
Executive Director

Note: Mr. Hidulf Kwan has been a responsible officer of type 6 (advising on corporate finance) regulated activities under SFO since 2006.

1. FINANCIAL INFORMATION OF THE GROUP

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

2. INDEBTEDNESS STATEMENT**Borrowings**

At the close of business on 31 August 2014, being the latest practicable date for the purpose of this indebtedness statement prior to printing of this Circular, the Group had outstanding secured bank borrowings of approximately HK\$1,606.4 million.

As at 31 August 2014, the Group had outstanding borrowings from a company controlled by Mr. Chen Chang Wei, a non-executive Director, of approximately RMB180.4 million. Such borrowings are unsecured and bear interest at a rate of 15% per annum.

As at 31 August 2014, the Group had outstanding borrowings from intermediate holding company of approximately HK\$1,893.5 million, of which HK\$1,209.9 million are interest-bearing at a rate of six month LIBOR plus 5% per annum, secured by the share charge over all the shares held by the Company in Wanda International Real Estate Investments Co., Limited. The remaining borrowings of HK\$683.6 million are unsecured and are interest free.

As at 31 August 2014, the Group had outstanding advances from related party and intermediate holding company of RMB62.2 million and HK\$1,563.9 million respectively. These amounts are unsecured and are interest free.

Contingent liabilities

As at 31 August 2014, the Group had provided guarantees of approximately RMB89.2 million to banks in favour of its customers in respect of mortgaged loans provided by the banks to these customers for their purchase of the Group's properties. Each of these guarantees will be released upon the bank's receipt of the real estate ownership certificate for the property as security for the loan.

Save as disclosed above and apart from intra-group liabilities, the Group did not have any outstanding mortgages, charges, debt securities, term loans and overdrafts, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, other borrowings or indebtedness in the nature of borrowings or any guarantees or other material contingent liabilities as at the close of business on 31 August 2014.

3. WORKING CAPITAL

As at 31 August 2014, the Group had cash and bank balance of approximately HK\$2,392 million. The undrawn facilities from bank and from intermediate holding company available to the Group as at 31 August 2014 were RMB700 million and US\$162 million respectively. The facility of US\$162 million from the intermediate holding company has not been drawdown and is not restricted to be used only for the project in Madrid (as disclosed in the Company's circular dated 25 June 2014) but can be used in other projects where necessary. As stated in the Company's announcement issued on 23 July 2014, the Company as borrower and a bank entered into a 5-year term loan facility agreement of up to an aggregate amount of US\$160 million and such facility has been utilized to finance the acquisition of property projects.

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

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company whose subsidiaries are principally engaged in property development, property leasing, property management and investment holding activities. As announced by the Company on 25 August 2014, the Group plans to actively participate in the development and operation of mixed-use property projects with a focus on hotels in international gateway cities and to hold the hotel component to be operated under Wanda's brands (the existing brands include but not limited to Wanda Vista, Wanda Reign and Wanda Realm). At present, in addition to the Jewel Project, the Group has real property projects in the United Kingdom, Spain and the United States. All these real property projects feature a luxury hotel with residential and commercial components. The strategy of the Group with respect to these real property projects is to retain the commercial component and hotel as investment whereas the residential component will be sold if market conditions are favourable. As the Group will focus on major international gateway cities which attract large tourism and business travel and a growing trend of international tourists, the Company expects that the hotel development business of the Group will grow over the years and become an important part of the Group's operating activities. The Directors believe that the formation of the joint ventures pursuant to the Master Australia JV Agreement and Jewel JV Agreement will offer an opportunity for the Group to develop towards the business direction as aforesaid. The Group will continue to seek investment opportunities, including doing so jointly with the controlling Shareholder of the Company, DWCP, with a view to enhancing the Group's profit and maximizing the interest of the Shareholders. On 25 August 2014, the Company, DWCP and Wanda HK, both controlling Shareholders of the Company, entered into a memorandum of understanding in which the parties have

expressed their intention to establish the Group as a platform for the investment and operation of hotels under Wanda's brands in overseas markets. DWCP and Wanda HK both expressed their continued support to the Group for the aforesaid business direction. As at the Latest Practicable Date, save and except the Jewel Property, the joint venture for property development in London, Guilin, Madrid and Chicago as previously announced respectively on 6 September 2013, 27 February 2014, 4 June 2014 and 29 July 2014, the Group has not identified any suitable investment opportunities.

The Group continues to operate its property "Hengli City" in Fuzhou, the PRC in accordance with its established business strategy and business practice. For the project in London, the Company has received its planning approval in August this year and the demolition work thereon is on-going as scheduled. For the project in Guilin, pre-sales have begun in end of July this year and completion of its development will be in the third quarter of 2015. For the project in Madrid, subject to obtaining all the requisite planning approvals by the end of 2015 and construction work and pre-sale commencing thereafter, the Company expects the completion to be by the end of 2019. For the project in Chicago, it is estimated that the relevant zoning approvals will be obtained by January 2016 and pre-sale shall commence thereafter. Assuming that all the planning approvals and permits are obtained by March 2016, it is further estimated that construction work for the Chicago property will commence around October 2016 and complete around September 2018.

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

29 September 2014

Cushman & Wakefield Valuation Advisory Services (HK) Limited

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

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

Dear Sirs,

Preliminary

In accordance with your instruction to value the property located at 38-44 Old Burleigh Road, Surfers Paradise, Queensland, Australia 4217 (the “Property”) to be acquired by Wanda Commercial Properties (Group) Co., Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”). We confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as of 1 September 2014 (the “Valuation Date”).

Basis of Valuation

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

The valuation has been prepared in accordance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standards (2013) published by the International Valuation Standards Council and effective from 1 January 2014. Highest and best use is the basis of the valuation.

**Valuation
Assumptions**

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

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

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

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

Site Inspection

We have inspected the Property on 20 August 2014. We are unaware of any adverse ground conditions affecting the Property and have not had sight of a ground and soil survey. We have not carried out investigations on site to determine the suitability of the ground conditions and services etc. for any future development (if any). Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

**Valuation
Methodologies**

We have valued the property interests by a variety of methodologies, each applicable to the style of development.

In respect to the Residential Component we have utilized the Direct Comparison Approach based on a rate per square meter of the advised net livable floor area of the respective units.

The Direct Comparison Approach is universally considered the most accepted valuation approach for valuing most forms of real estate. This involves the analysis of recent market sales and rental evidences of similar properties to compare with the premises under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparable is then compared with the subject and where there is a difference, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as location within the city, building quality, access, and so on.

For the Retail Component we have prepared calculations based on the Income Approach whereby we have made an estimate of the market income and deducted allowances for letting, vacancy voids and outgoings to derive a net market income. We have capitalized the net market income at an appropriate yield to obtain a market value.

In respect of the retail rentals adopted, we have analysed lease transactions along the Gold Coast and south east Queensland market. The rentals adopted are in line with market expectations and parameters, and given the proposed premium standard of accommodation mooted, they are deemed appropriate.

It is envisaged by us that the developer would employ the services of a leasing agent who has the appropriate level of market expertise to attract big-name tenants befitting the desired tenant mix required to service an upmarket development such as the subject.

The yield adopted ranges from 7% for the better quality and more prominent suites to 8% for the secondary suites. Based on our analysis of the market as well as agency based research from leading agencies, the yield range applicable for prime retail is being quoted within a range between 6% and 8.50%. The adopted yield range is 7% to 8% prior to the inclusion of allowances for letting up and vacancy voids. The resultant effect is an average equated yield across all lots of 8.08%, which is deemed to be conservative.

In respect to the Hotel Component we have adopted the Income Approach (capitalization of income). All figures are based on anticipated trading and expense parameters as advised by DWCP and cross checked against our knowledge of the market gained from our industry experience.

We have adopted the Direct Comparison and Income Approaches to arrive at the prospective value upon completion and stabilization of the proposed development (hotel, retail and residential condominium components).

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

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

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

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

**Source of
Information**

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

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

Title Investigations

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

**Currency &
Exchange Rate**

Unless otherwise stated, all monetary sums stated in this report are in Australian Dollars (“A\$”). The exchange rate adopted in our valuations is approximately A\$1 = HKD7.25 which was approximately the prevailing exchange rate as at the Valuation Date.

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

Yours faithfully,
for and on behalf of

**Cushman & Wakefield (NSW)
Pty Limited**

Anthony Martin
*Certified Practising Valuer,
Registration No.2929
AAPI MRICS
Executive Director - Valuation & Advisory*

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

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

Note: Mr. Anthony Martin has 26 years’ experience in the real estate industry and assets valuations sector. He holds a Bachelor of Business in Land Economy and his experience on valuations covers all property asset classes. He is an Associate of the Australian Property Institute, the NSW Real Estate Institute and is a Member of the Royal Institute of Chartered Surveyors.

Mr. Vincent K. C. Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with 17 years’ experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr. Cheung is a member of The Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. Mr. Cheung is one of the valuers on the “list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers” as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

SUMMARY OF VALUE

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

Property	Market Value in existing state as at 1 September 2014 A\$	Interest to be attributable to the Group post- acquisition	Market Value
			in existing state as at 1 September 2014 to be attributable to the Group post acquisition A\$
38-44 Old Burleigh Road, Surfers Paradise, Queensland, Australia 4217	120,000,000	55%	66,000,000
	_____		_____
Total:	<u>120,000,000</u>		<u>66,000,000</u>

VALUATION CERTIFICATE

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

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 1 September 2014 A\$
38-44 Old Burleigh Road, Surfers Paradise, Queensland, Australia 4217	Based on the approved development plans provided that were prepared by DBI Architecture and Oppenheim Architecture + Design, the proposed development potential for the site comprises of a three tower development to be known as: • The Premium Tower; • The Luxury Tower; and • The Classic Tower. The Property comprises a parcel of land with a total site area of approximately 11,355 m². The development will incorporate a premium grade Hotel of 188 rooms situated within the Classic Tower, and there will be a total of 470 residential apartments across the three (3) towers. The advised total Gross Floor Area (GFA) as if completed is estimated to be approximately 90,456 m². The three towers that comprise the high quality project are each positioned in order of quality of finishes and services to appeal to three distinct market segments, generally within segments of the high net wealth market. These three towers in order of quality and prestige are: • Premium • Luxury • Classic The property is held under a Fee Simple interest, which permits the owner of an estate to unrestricted powers as to disposal and which can be left by will or inherited.	The Property is generally vacant.	120,000,000 (One Hundred and Twenty Million)) 55% interest to be attributable to the Group post-acquisition: 66,000,000 (Sixty-Six Million))

Notes:

1. The valuation of the Property was prepared by Vincent K. C. Cheung in collaboration with Mr. Anthony Martin.

2. The Property was inspected by Mr. Anthony Martin on 20 August 2014. Mr. Anthony Martin has 26 years' experience in the real estate industry and assets valuations sector. He holds a Bachelor of Business in Land Economy and his experience on valuations covers all property asset classes. He is an Associate of the Australian Property Institute, the NSW Real Estate Institute and is a Member of the Royal Institute of Chartered Surveyors.
3. The registered owner of the Property is Ridong (Gold Coast) Development Pty Limited.
4. The Property is zoned "Tourist & Residential" under the auspices of the Gold Coast Planning Scheme 2003. The Property is restricted to the permitted uses under the zoning which includes a wide variety of hospitality infrastructure including holiday letting and residential apartments, hotels, bars, restaurants and cafes, sports and recreation facilities, aged care amenities and hospitals, motels, entertainment complexes, marine facilities and retail premises ancillary to other uses.
5. A general description and market information of the Property is summarized as below:

Location : The subject site is located on the north eastern corner of the intersection of Old Burleigh and Wharf Road at Surfers Paradise. The site has absolute beach frontage to Main Beach and is benefited by dual street accessibility. Surfers Paradise is an established tourism and entertainment precinct located in south east Queensland with surrounding development comprising of a mix of low to high density residential development including freestanding residential dwellings, small scale serviced apartments and motel complexes, and large scale residential towers. The Property is approximately midway between the Surfers Paradise and Broadbeach retail precincts and has ease of access to various beaches, the Gold Coast Light Rail network and major arterial road thoroughfares. Other notable social infrastructure in the local area include the Pacific Fair Shopping Centre and Jupiter's Casino.

Transportation : The Gold Coast region has a large network of linear arterial roads and freeways with the subject property being located on a local thoroughfare situated approximately 400 metres east of the Gold Coast Highway. There is a substantial local bus network that runs the length and breadth of the Gold Coast and this has recently been supplemented by a new light rail network that runs from Griffith University and the Gold Coast Hospital at Southport in the north through to Broadbeach Waters in the south. Stage 2 of the project is mooted to see the network extended south to Burleigh Heads, with Stage 3 completing the network as far south as Coolangatta and the Gold Coast Airport.

The Gold Coast Airport is located approximately 25 kilometres to the south of the Property and is a domestic and international airport. It is the sixth largest airport in Australia by passenger movements with in excess of 6 million passengers using the airport in 2013/14. Brisbane Airport situated 75 kilometres to the north is the major airport for south east Queensland with passenger numbers exceeding 22 million in 2013/14.

Nature of Surrounding Area	:	The Property is located on a beach front site between the main retail and entertainment precincts of Surfers Paradise to the north and Broadbeach to the south. The Property is within walking distance of the Gold Coast Light Rail network and has ease of access to major roads. Throughout the surrounding neighbourhoods are a plethora of social infrastructure including parks, beaches and other facilities that includes the Gold Coast Convention Centre, Jupiter's Casino and major retail centres. The Property's immediate local area includes Main Beach comprising the eastern side boundary with a wide variety of development including hotels, high-rise residential buildings, freestanding dwellings and local ground-level retail establishments.
Market Yield in the Vicinity	:	HOTEL: Approximately 8.75% to 9.5% RETAIL: 6.5% to 8.5%
Market Rental in the Vicinity	:	HOTEL: \$300 to \$400 (average daily room rate) RESIDENTIAL: 1 Bed \$185 - \$500/week 2 Bed \$260 - \$950/week 3 Bed \$400 - \$1,350/week 4 Bed+ \$650 - \$2,500/week
Market Price in the Vicinity	:	HOTEL: About \$150,000 to \$750, 000 per room (average) RESIDENTIAL: 1 Bed \$4,500 - \$10,500/m ² 2 Bed \$4,700 - \$30,750/m 3 Bed \$4,500 - \$22,000/m Penthouse/4 Bed+ \$4,500 - \$20,000/m

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

Component	Total GFA m ²
Hotel & Classic Residential Tower	30,222 m ²
Luxury Tower	24,687 m ²
Premium Tower	17,226 m ²
Podium Level 1 / Ground Floor	4,139 m ²
Podium Level 2	3,878 m ²
Podium Level 3	5,919 m ²
Podium Level 3A	621 m ²
Podium Level 4	1,892 m ²
Hotel Level 5	457 m ²
Hotel Level 44	750 m ²
Hotel Level 45	664 m ²
Total	<u>Approximately 90,456 m²</u>

* GFA to Gold Coast City Council definition-area measured to outside face of all external walls, midpoint of party walls and greater than 3.2m of balcony, excluding roof top plant levels.

The Approval also makes note of the provision of 153 hotel room modules which under advice we acknowledge can be configured as a 188 room hotel within the Gross Floor Area designated above. The consent authority is the Gold Coast City Council. The development application was forwarded to the Queensland Government for final approval.

The Approval has an entitlement of 153 rooms some of which are considerably large. It is the view that some of the larger suites can be reconfigured into smaller suites without any variance to the approved gross floor areas stated in the

Approval Consent. The Development Approval (DA) was a Queensland Government Ministerial Call In. Therefore, any person seeking a ‘permissible change’ to the DA must do so under a “Chapter 6, Part 8, Subdivision 2” procedure for changing approvals, subject to Section 369 of the Sustainable Planning Act 2009, which usually takes at least 30 business days (plus possibly an extra 20 days if both the applicant and State agree) and is a relatively straight forward process so long as the change is considered to be minor and deemed to be permissible. We have been advised that reconfiguring the internal layouts would be considered as such.

7. The Hypothetical Market Value of the Property on the basis “As if completed” effective as at 1 September 2014 based on the advised scheme is A\$948,288,000.
8. The Property is subject to a Mortgage with the current amount owing of A\$22,000,000 for a term commenced from 5 October 2013 and expiring on 5 June 2015. The lender is FCCD (Australia) Pty Limited.
9. According to the Adopted Infrastructure Charge Notice dated 6 September 2012 and issued by the Gold Coast City Council, the Property is subject to an adopted infrastructure charge notice with a total consideration of A\$5,850,169.28 (charge rates may be subject to index adjustments and/or reviews) and the due date for payment is payable prior to final plumbing inspection, use commencing or sealing of registrable plans of subdivision, whichever occur first.

The infrastructure charge is the responsibility of Ridong (Gold Coast) Development Pty Limited, which shall be paid prior to the commencement of development as per the approval.
10. There is no time limit for completion of the development of the Property.
11. The total costs to be incurred in the development is estimated to be A\$900 million (equivalent to approximately HK\$6,525 million). The construction costs is estimated to be A\$385 million (equivalent to approximately HK\$2,791 million).

1. RESPONSIBILITY STATEMENT

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

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

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV to the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of SFO); or have been entered in the register maintained by the Company pursuant to Section 352 of the SFO; or have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

Interests in the shares and underlying shares of the Company

Name of Director	Long position/ short position	Capacity/Nature of interest	Interest in shares and underlying shares of the Company	Approximate percentage of the issued share capital of the Company
Mr. Chen Chang Wei (“ Mr. Chen ”)	Long	Beneficial owner and held by controlled corporation (<i>Note 1</i>)	297,460,230	6.33%
	Long	Interest of spouse (<i>Notes 1 and 2</i>)	27,683,423	0.59%

Interests in shares of DWCP (Note 3)

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

Interest in shares of Amazing Wise Limited (Note 4)

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

Notes:

- (1) As at the Latest Practicable Date, Mr. Chen was deemed to have a long position of 325,143,653 Shares, of which (i) 19,362,200 Shares were beneficially and legally owned by him, (ii) 204,237,800 Shares were held on trust for him by Ever Good Luck Limited (“**Ever Good**”), (iii) 73,860,230 Shares were beneficially owned by Ever Good, and (iv) 27,683,423 Shares were held by his spouse, Ms. Chan Sheung Ni, as beneficial owner.
- (2) Ms. Chan Sheung Ni is the spouse of Mr. Chen.
- (3) DWCP, being an indirect holding company of the Company, is an associated company of the Company under Part XV of the SFO.
- (4) Amazing Wise Limited, being a subsidiary of the Company, is an associated company of the Company under Part XV of the SFO.
- (5) As at the Latest Practicable Date, the 47 shares in Amazing Wise Limited was held by Zhizun Holdings Limited, which was wholly owned by Mr. Chen.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO); or which have been entered in the register maintained by the Company pursuant to Section 352 of the SFO; or which have been notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at the Latest Practicable Date, so far as was known to the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Name	Long position/ short position	Capacity/Nature of interest	Interest in shares and underlying shares of the Company	Approximate percentage of the issued share capital of the Company
Wanda Overseas	Long	Beneficial owner	3,055,043,100	65.04%
Wanda Real Estate Investments Limited* (萬達地產投資有限公司)	Long	Interest in controlled corporation (Note 1)	3,055,043,100	65.04%
Wanda HK	Long	Interest in controlled corporation (Note 2)	3,055,043,100	65.04%
DWCP	Long	Interest in controlled corporation (Note 3)	3,055,043,100	65.04%
Dalian Wanda	Long	Interest in controlled corporation (Note 4)	3,055,043,100	65.04%

APPENDIX III

GENERAL INFORMATION

Name	Long position/ short position	Capacity/Nature of interest	Interest in shares and underlying shares of the Company	Approximate percentage of the issued share capital of the Company
Dalian Hexing	Long	Interest in controlled corporation (Note 5)	3,055,043,100	65.04%
Mr. Wang Jianlin	Long	Interest in controlled corporation (Note 6)	3,055,043,100	65.04%
Ms. Chan Sheung Ni	Long	Beneficial owner	27,683,423	0.59%
	Long	Interest of spouse (Note 7)	297,460,230	6.33%
Ever Good Luck Limited (Note 8)	Long	Beneficial owner	73,860,230	1.57%
	Long	Trustee	204,237,800	4.35%

Notes:

- (1) Wanda Real Estate Investments Limited* (萬達地產投資有限公司) holds more than one-third of the issued shares of Wanda Overseas and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Overseas is interested.
- (2) Wanda HK holds more than one-third of the issued shares of Wanda Real Estate Investments Limited* (萬達地產投資有限公司) and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda Real Estate Investments Limited* (萬達地產投資有限公司) is deemed to be interested.
- (3) DWCP holds more than one-third of the issued shares of Wanda HK and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Wanda HK is deemed to be interested. Mr. Ding Benxi, being a non-executive Director and the chairman of the Board, is the chairman of DWCP. Mr. Qi Jie, being a non-executive Director, is a director and the president of DWCP. Mr. Qu Dejun, being a non-executive Director, is a director and a senior vice president of DWCP. Mr. Liu Chaohui, being an executive Director, is a secretary of the board of directors and the general manager of offshore property centre of DWCP. Mr. Liu Jipeng and Mr. Xue Yunkui, each being an independent non-executive Director, are independent directors of DWCP.
- (4) Dalian Wanda holds more than one-third of the issued shares of DWCP and is therefore deemed to have an interest in the shares and underlying shares of the Company in which DWCP is deemed to be interested. Mr. Ding Benxi, being a non-executive Director and the chairman of the Board, is an executive director and the president of Dalian Wanda.
- (5) Dalian Hexing holds more than one-third of the issued shares of Dalian Wanda and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Wanda is deemed to be interested.

- (6) Mr. Wang Jianlin holds more than one-third of the issued shares of Dalian Hexing and is therefore deemed to have an interest in the shares and underlying shares of the Company in which Dalian Hexing is deemed to be interested.
- (7) Ms. Chan Sheung Ni is the spouse of Mr. Chen. Ms. Chan Sheung Ni is therefore deemed to have an interest in the shares of the Company in which Mr. Chen is interested.
- (8) The entire issued share capital of Ever Good Luck Limited is ultimately owned by Mr. Chen and Mr. Chen is the sole director of Ever Good Luck Limited. See note (1) in the section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures” in this Appendix III.

* For identification purposes only.

4. DIRECTORS’ INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors, directly or indirectly, had any interest in any assets which had since 31 December 2013 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS’ INTERESTS IN CONTRACTS

The Company and a company controlled by Mr. Chen have entered into loan agreements in 2011 and 2012 pursuant to which the company controlled by Mr. Chen has provided loan facilities to the Group. As at the Latest Practicable Date, the Group had outstanding borrowings from the company controlled by Mr. Chen of approximately RMB180.4 million. Such borrowings are secured and bear interest at the rate of 15% per annum.

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

6. MATERIAL CONTRACTS

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

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

Brilliant Hope Investments Limited, Sparkling Hope Investments Limited and Hengli Capital Management Limited and their respective subsidiaries to the Company at HK\$399,163,591.79. The principal terms of the Disposal Agreement were disclosed in the circular issued by the Company on 24 May 2013. Completion of the Disposal Agreement took place on 25 June 2013.

- (b) On 20 March 2013, the Company entered into a shareholders' agreement in relation to Amazing Wise (the “**Amazing Wise Shareholders' Agreement**”) with Zhizun, Mr. Chen and Amazing Wise. The principal terms of the Amazing Wise Shareholders' Agreement were set out in the circular issued by the Company on 24 May 2013. The Amazing Wise Shareholders' Agreement took effect upon completion of the Disposal Agreement.
- (c) On 6 September 2013, the Company and Wanda HK entered into a shareholders' agreement (the “**London Project Shareholders' Agreement**”), pursuant to which the Company and Wanda HK agreed to establish a joint venture (the “**London JV Co**”) for the purposes of acquiring and owning a property in London, the United Kingdom and re-developing it into a hotel, residential, office and retail complex and operating such complex. The total capital commitment by the Company under the London Project Shareholders' Agreement would not exceed HK\$3,000 million. The principal terms of the London Project Shareholders' Agreement were set out in the circular issued by the Company on 30 September 2013.
- (d) On 6 September 2013, the Company and Wanda HK entered into a loan agreement (the “**London Project Loan Agreement**”) for a £60,000,000 loan facility and US\$20,000,000 loan facility to be provided by Wanda HK to the Company, which are to be secured by a share charge over all the shares held by the Company in the London JV Co. The principal terms of the London Project Loan Agreement were set out in the circular issued by the Company on 30 September 2013.
- (e) On 13 December 2013, the Company, CITIC Securities Corporate Finance (HK) Limited, BOCI Asia Limited and China Merchants Securities (HK) Co., Limited entered into an underwriting agreement (the “**Underwriting Agreement**”) in respect of a rights issue. The principal terms of the Underwriting Agreement were set out in the announcement issued by the Company on 13 December 2013.
- (f) On 27 February 2014, the Company, Wanda HK and Wanda Properties Investment Limited (owned as to 51% by the Company and 49% by Wanda HK) entered into a joint venture agreement (the “**Guilin Land JV Agreement**”) in relation to the development of a piece of land in Guilin, the PRC, into a “Wanda Plaza”, which comprises commercial and residential properties. The total capital commitment by the Company under the Guilin Land JV Agreement shall not exceed US\$91.8 million. The principal terms of the Guilin Land JV Agreement were set out in the circular issued by the Company on 17 March 2014.
- (g) On 4 June 2014, the Company and Wanda HK entered into a joint venture agreement in relation to the formation of joint venture for real property projects in continental Europe (the “**Master Europe JV Agreement**”) and a joint venture agreement in relation to the redevelopment of a property in Madrid (the “**Spain JV Agreement**”). The total capital

commitment by the Company under the Master Europe JV Agreement and Spain JV Agreement shall not exceed HK\$7,500 million and HK\$2,200 million respectively. The principal terms of the Master Europe JV Agreement and the Spain JV Agreement were set out in the circular issued by the Company on 25 June 2014.

- (h) On 8 July 2014, the Company and Wanda HK entered into a joint venture agreement in relation to the formation of joint venture for real property projects in the continents of North America and South America (the “**Master Americas JV Agreement**”) and a joint venture agreement in relation to the development of a property in Chicago (the “**Chicago JV Agreement**”). The total capital commitment of the Company under the Master Americas JV Agreement and Chicago JV Agreement shall not exceed HK\$6,000 million and HK\$1,050 million respectively. The principal terms of the Master Americas JV Agreement and the Chicago JV Agreement were set out in the circular issued by the Company on 31 July 2014.
- (i) On 11 August 2014, the Company and Wanda HK entered into the Master Australia JV Agreement and the Jewel JV Agreement and Li, DWCP, Wanda Australia Commercial and Jewel Project Co. entered into the Subscription and Shareholders Agreement.

7. LITIGATION

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

8. EXPERTS AND CONSENT

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

Name	Qualification
Cushman & Wakefield	independent property valuer
Astrum	a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

Each of Cushman & Wakefield and Astrum has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its report or letter (as the case may be) and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of Cushman & Wakefield and Astrum was not interested in any shares in the Company or any member of the Group, nor did it have any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares in the Company or any member of the Group.

As at the Last Practicable Date, neither Cushman & Wakefield nor Astrum had any interest, direct or indirect, in any assets which have been, since 31 December 2013 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. SERVICE CONTRACTS

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

10. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

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

APPENDIX III**GENERAL INFORMATION**

Name of Director/ associate	Name of Company	Nature of interest in the company	Business of the Company
Mr. Ding Benxi	DWCP	Being a director and shareholder with 1.29% interest	Engaging in property development, property lease, property management and investment holding
Mr. Qi Jie	DWCP	Being a director and shareholder with 0.26% interest	Engaging in property development, property lease, property management and investment holding
Mr. Qu Dejun	DWCP	Being a director and shareholder with 0.15% interest	Engaging in property development, property lease, property management and investment holding
Mr. Liu Chaohui	DWCP	Being a shareholder with 0.15% interest	Engaging in property development, property lease, property management and investment holding
Mr. Liu Jipeng	DWCP	Being an independent director	Engaging in property development, property lease, property management and investment holding
Mr. Xue Yunkui	DWCP	Being an independent director	Engaging in property development, property lease, property management and investment holding

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

11. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Hui Wai Man, Shirley. She is a fellow member of The Association of Chartered Certified Accountants, Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. She is also a member of Hong Kong Securities Institute and the Society of Chinese Accountants & Auditors.
- (b) The principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited located at The Belvedere Building, 69 Pitts Bay Road, Pembroke HM08, Bermuda.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this Circular prevails over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for each of the two financial years ended 31 December 2012 and 2013;
- (c) the letter from the Board, the text of which is set out on pages 4 to 25 of this Circular;
- (d) the letter from the Independent Board Committee, the text of which is set out on pages 26 to 27 of this Circular;
- (e) the letter of advice from Astrum, the text of which is set out on pages 28 to 52 of this Circular;
- (f) the property valuation report prepared by Cushman & Wakefield, the text of which is set out in Appendix II to this Circular;
- (g) the contracts referred to in the paragraph headed "Material contracts" in this Appendix III;
- (h) the written consents referred to in the paragraph headed "Experts and consent" in this Appendix III;

- (i) the circular issued by the Company on 17 March 2014 in relation to, among other things, acquisition of land use rights in Guilin, Guangxi Zhuang Autonomous Region in the PRC and the formation of a joint venture in relation to the development of the Guilin Land constituting a connected and major transaction;
- (j) the circular issued by the Company on 26 June 2014 in relation to, among other things, the formation of joint venture for real property projects in continental Europe constituting a connected and major transaction and the acquisition of real property in Spain and the formation of joint venture constituting a connected and major transaction;
- (k) the circular issued by the Company on 31 July 2014 in relation to, among other things, the formation of joint venture for real property projects in the continents of North America and South America constituting a connected and major transaction and the formation of joint venture in relation to the development of a property in Chicago constituting a connected and discloseable transaction; and
- (l) this Circular.

NOTICE OF SGM



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

NOTICE IS HEREBY GIVEN that a special general meeting of Wanda Commercial Properties (Group) Co., Limited (the “**Company**”) will be held at Unit 3007, 30/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Thursday, 16 October 2014 at 4:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions (with or without amendments) as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** the entry into by the Company of the Master Australia JV Agreement dated 11 August 2014 (a copy of which has been produced to the meeting and initialled by the chairman of the meeting for the purposes of identification) and the transactions contemplated thereunder be and are hereby approved (terms defined in the circular of the Company dated 29 September 2014 having the same meanings when used in this resolution).”
2. “**THAT** the entry into by the Company of the Jewel JV Agreement dated 11 August 2014 (a copy of which have been produced to the meeting and initialled by the chairman of the meeting for the purposes of identification) and the transactions contemplated thereunder be and are hereby approved (terms defined in the circular of the Company dated 29 September 2014 having the same meanings when used in this resolution).”

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

Hong Kong, 29 September 2014

Notes:

- (1) A shareholder entitled to attend and vote at the meeting convened by the above notice (or at any adjournment thereof) is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A shareholder holding two or more shares is entitled to appoint more than one proxy. A proxy need not be a shareholder of the Company but must be present in person to represent the shareholder. Completion and return of an instrument appointing a proxy will not preclude a shareholder from attending and voting in person at the meeting (or any adjournment thereof).

NOTICE OF SGM

- (2) Where there are joint registered holders of any shares, any one of such persons may vote at the meeting (or at any adjournment thereof), either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting (or at any adjournment thereof) personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the proxy form, and any power of attorney (if any) or other authority (if any) under which it is signed (or a copy of such power or authority certified notarially), must be delivered to the Company's Hong Kong branch share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the meeting (or any adjournment thereof).
- (4) The shareholders whose names appear on the register of members of the Company on 15 October 2014 are entitled to attend the meeting. In order to qualify for attending the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 15 October 2014.