THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Future Land Development Holdings Limited, you should at once hand this circular and the accompanying form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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新城发展
FUTURE
HOLDINGS

Future Land Development Holdings Limited
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

CONNECTED TRANSACTION IN RELATION TO GRANT TO CONNECTED PERSONS DEEMED DISPOSAL IN RELATION TO ISSUE OF RESTRICTED SHARES UNDER FIRST TRANCHE GRANT BY FUTURE LAND HOLDINGS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Gram Capital Limited
嘉林資本有限公司

A letter from the Board is set out on pages 4 to 17.

A notice convening the EGM to be held at 10:00 a.m. on Tuesday, 22 November 2016 at Units 7801-03, 78/F, The Center, 99 Queen's Road Central, Hong Kong is set out on pages 61 and 62 of this circular. A form of proxy for use at the EGM is enclosed with this circular. If you are unable to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

4 November 2016

CONTENT

Page

Definitions 1

Letter from the Board 4

Letter from Independent Board Committee 18

Letter from Gram Capital 20

Appendix I – Summary Terms of the Scheme 37

Appendix II – General Information 57

Notice of Extraordinary General Meeting 61

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

"A Share(s)"	share(s) of Future Land Holdings which are listed on the Shanghai Stock Exchange and traded and denominated in RMB
"Board"	the board of Directors
"Company"	Future Land Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Hong Kong Stock Exchange
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"CSRC"	China Securities Regulatory Commission of the PRC
"Director(s)"	the director(s) of the Company
"EGM"	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the adoption of the Scheme by Future Land Holdings
"First Tranche Grant"	the grant of 38,500,000 Restricted Shares in first tranche under the Scheme
"Future Land Holdings"	Future Land Holdings Co., Ltd.* (新城控股集團股份有限公司), a subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange (stock code: 601155)
"Gram Capital" or "Independent Financial Adviser"	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571, the Laws of Hong Kong), being the independent financial adviser to advise the Independent Board Committee and the independent Shareholders in relation to the proposed Grant to the Connected Persons;
"Grant"	the grant of the Restricted Shares to the Participants by the board of directors of Future Land Holdings in accordance with the terms of Scheme

"Grant Day"	the day, being a trading day for A Shares, on which Restricted Shares are granted to Participants by Future Land Holdings
"Grant to the Connected Persons"	the grant of 800,000, 1,500,000 and 1,500,000 Restricted Shares of Future Land Holdings to Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli, respectively
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Incentive Measures"	the Administrative Measures on Share Incentives of Listed Companies (上市公司股權激勵管理辦法)
"Independent Board Committee"	the committee formed by all independent non-executive Directors, so as to give advice to independent Shareholders in respect of the proposed Grant to the Connected Persons;
"Latest Practicable Date"	3 November 2016, being the latest practicable date prior to the printing of this circular to ascertain certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Participant(s)"	the person(s) to be granted the Restricted Shares under the Scheme
"PRC"	The People's Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"PRC Company Law"	the Company Law of the PRC
"PRC GAAP"	the generally accepted accounting principles adopted in the PRC

"Reserved Restricted Shares"	the 3,500,000 Restricted Shares to be granted under the Scheme after the First Tranche Grant
"Restricted Shares"	the 42,000,000 A Shares of Future Land Holdings to be issued for the Grant at a pre-determined price in a particular period of time and subject to certain conditions under the Scheme
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme"	the proposed restricted share incentive scheme of Future Land Holdings to conditionally grant the Restricted Shares to the Participants adopted by Future Land Holdings
"Securities Law"	the Securities Law of the PRC
"SFO"	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of HK$0.001 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Validity Period"	the period during which the Scheme remains effective
"%"	per cent

* *For identification purpose only*

新城发展
FUTURE
HOLDINGS

Future Land Development Holdings Limited
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

Executive Directors:
Mr. Wang Zhenhua (*Chairman*)
Mr. Lv Xiaoping (*Chief Executive Officer*)
Mr. Lu Zhongming
Mr. Liu Yuanman
Mr. Chan Wai Kin

Non-executive Director:
Mr. Wang Xiaosong

Independent Non-executive Directors:
Mr. Chen Huakang
Mr. Zhu Zengjin
Mr. Zhong Wei

Registered Office:
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KYI-1205
Cayman Islands

Principal place of business in Hong Kong:
36/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay, Hong Kong

4 November 2016

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO GRANT TO CONNECTED PERSONS DEEMED DISPOSAL IN RELATION TO ISSUE OF RESTRICTED SHARES UNDER FIRST TRANCHE GRANT BY FUTURE LAND HOLDINGS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 30 September 2016.

On 19 August 2016, the board of directors of Future Land Holdings, a subsidiary of the Company and a company established in the PRC whose shares are listed on the Shanghai Stock Exchange, conditionally adopted the Scheme and approved the proposal in respect of the Grant.

The new A shares would be issued under the Scheme by the Future Land Holdings. The number of the Restricted Shares which will be issued under the Scheme is 42,000,000 A Shares, representing approximately 1.891% of the total number of A Shares in issue as at 19 August 2016, the date when the Scheme was announced by Future Land Holdings. The number of the Restricted Shares which will be issued under the First Tranche Grant is 38,500,000 A Shares, representing approximately 1.734% of the total number of A Shares in issue as at 19 August 2016, the date when the Scheme was announced by Future Land Holdings.

Mr. Liu Yuanman is a Director, Mr. Liang Zhicheng was a Director in the past 12 months and a director of Future Land Holdings and Mr. Chen Deli is a director of Future Land Holdings and hence connected persons of the Company. The grant of the Restricted Shares to each of Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli constitutes a non-exempt connected transaction of the Company, which is subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with further details of, among other things, (i) terms of the Scheme and the First Tranche Grant; (ii) a letter from Gram Capital to the Independent Board Committee and the independent Shareholders containing its advice on the approval of the proposed Grant to the Connected Persons; (iii) the recommendation of the Independent Board Committee regarding the approval of the proposed Grant to the Connected Persons; and (iv) a notice convening the EGM.

CONDITIONS TO THE SCHEME BECOMING EFFECTIVE

The Scheme shall become effective upon approval of the Scheme by the shareholders of Future Land Holdings at its general meeting.

SUMMARY OF THE SCHEME

A summary of the major terms of the Scheme is set out below.

1. Purpose of the Scheme

The Scheme is to further optimize the corporate governance structure, establish and improve the incentive and discipline mechanism of Future Land Holdings, unleash motivation of directors, senior management and key employees, attract and retain talent, align the interests of the shareholders of Future Land Holdings and corporate interests with personal interests of the operators for building a common vision of long-term development of Future Land Holdings.

2. Participants

The Restricted Shares will be granted under the Scheme as incentives to selected Participants. The Restricted Shares are A Shares. Participants who are granted with the Restricted Shares will be entitled to acquire the Restricted Shares at a pre-determined price on

the Grant Day and sell the Restricted Shares after unlocking during the unlocking period of the relevant Restricted Shares, subject to the fulfilment of the relevant conditions and the terms of the Scheme. The Restricted Shares issued and registered shall rank pari passu in all respects with the existing issued and paid-up A Shares including the voting, dividend, transfer and other rights attached to the A Shares in issue. During the lock-up period, the Restricted Shares granted to the Participants under the Scheme shall be locked up, and shall not be transferred or used for debt repayment. If a Participant is a director or a member of the senior management of Future Land Holdings, the number of A Shares to be disposed of by them each year shall not exceed 25% of the total number of A Shares of Future Land Holdings held by them during their terms of office, and no A Shares of Future Land Holdings held by them shall be disposed of within 6 months following the end of their employment.

(1) Basis for determining the Participants

The Participants are subject to and determined in accordance with the PRC Company Law, the Securities Law, the Incentive Measures, the relevant provisions of the articles of association of Future Land Holdings, the Listing Rules and other applicable laws, regulations and regulatory documents.

(2) Scope of Participants

The proposed Participants of the Scheme include directors, senior management, middle management and key employees of Future Land Holdings, totaling 59 individuals, and do not include Future Land Holdings' independent directors, supervisors, shareholders holding 5% or more of the shares of Future Land Holdings individually or jointly or de facto controllers and their spouses, parents and children. The details of the proposed Participants under the Scheme as set out in the paragraphs headed "Basis for determining the Participants and the scope of Participants of the Scheme" in the Appendix I to this circular.

3. Operation of the Scheme

(1) Right to purchase the Restricted Shares

Participants who are granted with the right to purchase the Restricted Shares will be entitled to acquire the Restricted Shares at a pre-determined price and sell the Restricted Shares during the unlock period of the relevant Restricted Shares, subject to the fulfillment of the relevant conditions and the terms of the Scheme. Future Land Holdings will, within 60 days from the date of fulfillment of the conditions, grant the Restricted Shares to the Participants in accordance with applicable rules on a date determined by Future Land Holdings. No amount is payable on application or acceptance of the right to purchase the Restricted Shares by the grantees of the Restricted Shares.

(2) Number of the Restricted Shares

The new A shares would be issued under the Scheme by the Future Land Holdings. The number of the Restricted Shares which will be issued under the Scheme is 42,000,000 A Shares, representing approximately 1.891% of the total number of A Shares in issue as at 19 August 2016, the date when the Scheme was announced by Future Land Holdings. The number of the Restricted Shares which will be issued under the First Tranche Grant is 38,500,000 A Shares, representing approximately 1.734% of the total number of A Shares in issue as at 19 August 2016, the date when the Scheme was announced by Future Land Holdings. The number of the Reserved Restricted Shares is 3,500,000 A Shares, representing approximately 0.158% of the total number of A Shares in issue as at 19 August 2016, the date when the Scheme was announced by Future Land Holdings.

The number of Restricted Shares acquired by any of the Participants through the Scheme does not exceed 1% of Future Land Holdings' total share capital of the same class. The total number of the underlying shares in relation to all share option incentive schemes of Future Land Holdings in force shall not exceed 10% of Future Land Holdings' total share capital at the time of submission of relevant proposal to the general meeting.

4. Validity Period and unlocking period

The Validity Period of the Scheme shall be for no longer than 48 months, starting from the day on which the Restricted Shares are granted until the day on which all the Restricted Shares are unlocked or repurchased and cancelled.

The Scheme shall be effective after approval by the shareholders of Future Land Holdings of the Scheme commencing from the date of approval of the Scheme by the shareholders of Future Land Holdings. The lock-up period of the Restricted Shares is 12 months from the date of Grant, during which period the Restricted Shares shall not be transferred or used for debt repayment. The 12 months lock-up period may provide incentives to the Participants to remain employed with Future Land Holdings during such period and thereby enable Future Land Holdings to benefit from the continued service of such Participants, thus providing long-term rewards and retention incentives to the Participants and attract and retain human resources that are valuable to the growth and development of Future Land Holdings as a whole.

The First Tranche Grant will be unlocked in three batches as follows:

Unlocking Arrangement	Unlocking Period	Proportion for Unlocking to the Number of the Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the first Grant Day and ending on the last trading day within 24 months from the Grant Day	40%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the first Grant Day and ending on the last trading day within 36 months from the Grant Day	30%
Third unlocking	Commencing from the first trading day upon the expiry of 36 months from the first Grant Day and ending on the last trading day within 48 months from the Grant Day	30%

The Reserved Restricted Shares, if granted in the year 2016, will be unlocked in three batches as follows:

Unlocking Arrangement	Unlocking Period	Proportion for Unlocking to the Number of the Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 24 months from the Grant Day	40%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 36 months from the Grant Day	30%
Third unlocking	Commencing from the first trading day upon the expiry of 36 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 48 months from the Grant Day	30%

The Reserved Restricted Shares, if granted in the year 2017, will be unlocked in two batches as follows:

Unlocking Arrangement	Unlocking Period	Proportion for Unlocking to the Number of the Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 24 months from the Grant Day	50%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the Grant Day of the reserved part of the Restricted Shares and ending on the last trading day within 36 months from the Grant Day	50%

On the unlocking date, Future Land Holdings shall make arrangements for the Participants who have fulfilled the unlocking conditions for unlocking, and repurchase and cancel the Restricted Shares held by the Participants who have not fulfilled the unlocking conditions. The details of unlocking period are set forth in the paragraphs headed "Validity Period, Grant Date, Lock-up Period, Unlocking Date and relevant sales restrictions of the Scheme" in the Appendix I to this circular.

5. Grant price and basis of determination

The price of the First Tranche Grant shall be RMB6.9 per A Share, which is the higher of the followings:

(i) 50% of the closing price of the A Shares quoted on the Shanghai Stock Exchange on the last trading day immediately preceding 19 August 2016, the date of the announcement on the Scheme made by Future Land Holdings; and

(ii) 50% of the average of the closing prices of the A Shares quoted on the Shanghai Stock Exchange for the last 20 trading days immediately preceding 19 August 2016, the date of the announcement on the Scheme made by Future Land Holdings.

The price of the Reserved Restricted Shares to be determined by the board of directors of Future Land Holdings shall be the higher of the followings:

(i) 50% of the closing price of the A Shares quoted on the Shanghai Stock Exchange on the last trading day immediately preceding the date of the announcement on the board resolutions for the grant of the Reserved Restricted Shares made by Future Land Holdings; and

(ii) 50% of the average of the closing prices of the A Shares quoted on the Shanghai Stock Exchange for the last 20, 60 or 120 trading days immediately preceding the date of the announcement on the board resolutions for the grant of the Reserved Restricted Shares made by Future Land Holdings.

6. Adjustments

In the event of any capitalisation issue, bonus issue or sub-division or consolidation of share capital in Future Land Holdings, allotment of A Shares to existing shareholders of Future Land Holdings, new issue of A Shares and declaration of dividend of Future Land Holdings subsequent to the date conditionally approving the Scheme by Future Land Holdings on 19 August 2016, the number of the Restricted Shares and grant price shall be adjusted in accordance with the terms of the Scheme. For details, please refer to the paragraphs headed "Method and procedures for adjusting the Scheme" in the Appendix I to this circular.

7. Conditions for unlocking the Restricted Shares

The Restricted Shares shall only be unlocked by the Participants upon achieving the following performance targets as set out in the Scheme. These include achieving certain grading by the Participant in his/her performance appraisal under the appraisal methods of Future Land Holdings and other financial performance target by Future Land Holdings. For details, please refer to the paragraphs headed "Conditions for granting and unlocking the Restricted Shares of the Scheme" in the Appendix I to this circular. These requirements, together with the lock-up period as mentioned above, may enable Future Land Holdings to provide incentives to the Participants to motivate their pro-activeness in using best endeavours to facilitate the growth and development of Future Land Holdings. The above also correlates their interests with the long term development of Future Land Holdings.

(i) Achieving the following performance target by the relevant Participant:

The actual number of Restricted Shares that may be unlocked by the Participant in the current year is linked with the Participant's performance appraisal results for the previous year. The actual proportion is determined based on the personal performance appraisal results of the Participant as follows:

Personal Annual Appraisal Results	A (Distinction) or B (Merit)	C (Pass)	D (Fail)
Personal Unlocking Proportion	100%	80%	0

(ii) Achieving the following performance targets by Future Land Holdings:

Future Land Holdings will conduct performance appraisals under the Scheme on a yearly basis in the three accounting years during the unlocking periods for the Restricted Shares under the First Tranche Grant and the Reserved Restricted Shares for which granting is completed in 2016, and reaching the performance appraisal targets shall be the unlocking conditions for the Participant.

The specific targets for the performance appraisal of each year are listed as follows:

Unlocking Period	**Performance Appraisal Target of Future Land Holdings**
First unlocking	Net profit attributable to shareholders of the parent company reaching RMB2.5 billion in 2016
Second unlocking	Net profit attributable to shareholders of the parent company reaching RMB3.5 billion in 2017
Third unlocking	Net profit attributable to shareholders of the parent company reaching RMB5.0 billion in 2018

Future Land Holdings will conduct performance appraisals under the Scheme on a yearly basis in the two accounting years during the unlocking periods for the Reserved Restricted Shares for which granting is completed in 2017, and reaching the performance appraisal targets shall be the unlocking conditions for the Participant. The specific targets for the performance appraisal of each year are listed as follows:

Unlocking Period	**Performance Appraisal Target of Future Land Holdings**
First unlocking	Net profit attributable to shareholders of the parent company reaching RMB3.5 billion in 2017
Second unlocking	Net profit attributable to shareholders of the parent company reaching RMB5.0 billion in 2018

Where any of the requirements above cannot be met, the Restricted Shares which the Participant has failed to unlock in the current year will be repurchased and cancelled by Future Land Holdings.

GRANT TO CONNECTED PERSONS UNDER THE FIRST TRANCHE GRANT

Under the First Tranche Grant, Mr. Liu Yuanman is a Director, Mr. Liang Zhicheng was a Director in the past 12 months and a director of Future Land Holdings and Mr. Chen Deli is a director of Future Land Holdings and hence connected persons of the Company. The grant of the Restricted Shares to each of Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli constitutes non-exempt connected transactions of the Company, which are subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the aforesaid grant of Restricted Shares are as follows:

Number	**Name**	**Position**	**Number of Restricted Shares to be granted**	**Consideration to be paid** *(RMB'000)*	**Percentage to the total amount of the Grant**	**Percentage to the total share capital of Future Land Holdings as at the date of this circular**
1	Liu Yuanman	Director of the Company and Vice President of business department of Future Land Holdings	800,000	5,520	1.90%	0.036%
2	Liang Zhicheng	Director and Vice President of Future Land Holdings	1,500,000	10,350	3.57%	0.068%
3	Chen Deli	Director and Vice President of Future Land Holdings	1,500,000	10,350	3.57%	0.068%
		Total	3,800,000	26,220	9.05%	0.171%

DEEMED DISPOSAL IN RELATION TO ISSUE OF RESTRICTED SHARES UNDER THE SCHEME AND UNDER THE FIRST TRANCHE GRANT

As at 19 August 2016, the date when the Scheme was announced by Future Land Holdings, the number of the issued A Shares of Future Land Holdings was 2,220,484,186 and the Company held 1,515,924,554 A Shares, approximately 68.27% of the issued A Shares of Future Land Holdings. The number of the Restricted Shares which will be issued under the Scheme and under the First Tranche Grant is 42,000,000 and 38,500,000 A Shares, respectively. After issue of the Restricted Shares under the Scheme and under the First Tranche Grant, the Company will hold approximately 67.00% and 67.11%, respectively, of the enlarged A Shares of Future Land Holdings. The Company's shareholding in Future Land Holdings will be diluted by approximately 1.27% and 1.16%, respectively, as a results of the issue of the Restricted Shares under the Scheme and under the First Tranche Grant.

Set out below are the shareholding structure of Future Land Holdings as at 19 August 2016 and the anticipated shareholding structure of Future Land Holdings immediately after completion of the issue of the Restricted Shares:

	As at 19 August 2016		**Immediately after issue of the Restricted Shares under the Scheme**		**Immediately after issue of the Restricted Shares under the First Tranche Grant**	
	No. of A Shares	**Approximate percentage in existing A Shares**	**No. of A Shares**	**Approximate percentage in enlarged A Shares**	**No. of A Shares**	**Approximate percentage in enlarged A Shares**
The Company *(Note)*	1,515,924,554	68.27%	1,515,924,554	67.00%	1,515,924,554	67.11%
Public shareholders	704,559,632	31.73%	704,559,632	31.14%	704,559,632	31.19%
Participant	0	0	42,000,000	1.86%	38,500,000	1.70%
Total	2,220,484,186	100%	2,262,484,186	100%	2,258,984,186	100%

Note: The Company indirectly holds A Shares through Wealth Zone Development Co., Ltd. (常州富域發展有限公司) as to 62.06% and Changzhou Derun Consulting and Management Co., Ltd. (常州德潤諮詢管理有限公司) as to 6.21%.

INFORMATION ON THE GROUP

The Group is principally engaged in the business of property development, property investment and commercial property management in the PRC.

Future Land Holdings is a subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange.

FINANCIAL INFORMATION ON FUTURE LAND HOLDINGS

According to the unaudited consolidated balance sheet of Future Land Holdings as at 30 September 2016 (which was prepared in accordance with the PRC GAAP), the net assets value of Future Land Holdings amounted to approximately RMB14,086,476,264. The revenue and profit extracted from the audited consolidated financial statements of Future Land Holdings (which were prepared in accordance with the PRC GAAP) for the past 2 financial years are set out as below:

	For the year ended 31 December	
	2015	**2014**
	(RMB)	*(RMB)*
Revenue	23,568,793,145	20,674,198,043
Profit before taxation	3,290,853,855	2,409,396,600
Profit after taxation	2,399,604,653	1,792,345,649

FINANCIAL EFFECT OF THE DEEMED DISPOSAL

Financial effects will arise (a) upon the Grant Day on which Restricted Shares are granted by Future Land Holdings as share-based payment costs will incur and (b) upon unlocking of the Restricted Shares whereby the shareholding of the Company in Future Land Holdings will be diluted and deemed disposal gain or loss will incur. Set out below are the financial effects relating to the First Tranche Grant solely for illustration purposes, assuming the grant occurred on 19 August 2016 and that the net assets value attributable to the Company as of the various unlocking dates during the 3 years after the grant day remains the same as the amount as of 30 September 2016. Actual financial effects would differ according to the actual grant day and actual net assets value as of the various unlocking dates.

(a) Upon the grant day of the First Tranche Grant of the Restricted Shares

Based on the fair value of RMB469,400,000 of the First Tranche Grant measured as of 19 August 2016 and the net proceeds of RMB265,650,000 expected to be received from the First Tranche Grant, the difference of RMB203,750,000 would constitute aggregate share-based payment costs which are required to be amortised over the period from the grant day to the various unlocking dates for different portion of the First Tranche Grant. RMB138,700,000 of the aggregate share-based payment costs is attributable to the Company's shareholders while the remaining amount of RMB65,050,000 is attributable to the non-controlling interests. The charge to the income statement in each year will need to take into account the proportion of Restricted Shares becoming unlocked at the various unlocking dates and the highest charge will occur in the first year after the grant day.

The corresponding capital reserve of RMB203,750,000 created by the share-based payment charge will be treated as wholly belonging to the Participants and thus recorded under non-controlling interests until each unlocking date on which the Company will take up its share based on the then shareholding in Future Land Holdings.

(b) Upon the various unlocking dates of the First Tranche Grant of the Restricted Shares

Within the 3 years from the grant day, a portion of the First Tranche Grant will become unlocked at the various unlocking dates. As a result, the Company's shareholding in Future Land Holdings will be reduced gradually from 68.27% to 67.11% and will further reduced to 67.00% upon completion of the entire Scheme. These constitute deemed disposal and dilution gain or loss will arise at the various unlocking dates which is a combination of the gain arising from a portion of the net proceeds of RMB265,650,000 shared by the Company at the then shareholding and loss of the net assets value of Future Land Holdings deemed disposed by the Company at the various unlocking dates. Assuming the net assets value attributable to the Company as of the various unlocking dates during the 3 years after the grant day remains the same as the amount as of 30 September 2016, there would be an aggregate dilution gain of RMB31,760,000 as of the third unlocking date comprising 67.11% share of the net proceeds and 1.16% loss of the net assets value of Future Land Holdings. Such dilution gain will not pass through the income statement but will all be treated as transactions with non-controlling interests and recorded under equity directly.

In addition, the Company's capital reserve will be increased by an aggregate amount of RMB137,830,000 representing its share of the capital reserve created by the share-based payment charge as of the third unlocking date.

Upon issue and unlocking of the Restricted Shares under the First Tranche Grant, Future Land Holdings will still be a subsidiary of the Group. The Group does not expect any material financial impact on the Group's assets or liabilities or any material gain or loss recorded directly arising from the issue and unlocking of the Restricted Shares.

LISTING RULES IMPLICATION

The Scheme is a discretionary scheme of the Company and does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules.

Under the First Tranche Grant, Mr. Liu Yuanman is a Director, Mr. Liang Zhicheng was a Director in the past 12 months and a director of Future Land Holdings and Mr. Chen Deli is a director of Future Land Holdings and hence connected persons of the Company. The grant of the Restricted Shares to each of Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli constitutes a non-exempt connected transaction of the Company, which is subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one of the applicable ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the deemed disposal of the shareholding in Future Land Holdings for the issue of the Restricted Shares under the First Tranche Grant exceeds 5% but is less than 25%, the deemed disposal constituted a discloseable transaction for the Company which is subject to reporting and announcement requirements under the Listing Rules.

Also, the subsequent grant of the Reserved Restricted Shares under the Scheme may involve a connected person of the Company and in such a case, will constitute a non-exempt connected transaction of the Company which is subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with all the applicable requirements of the Listing Rules in due course.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established an Independent Board Committee so as to give advice to independent Shareholders in relation to the proposed Grant to the Connected Persons. The letter of advice from the Independent Board Committee is set out on pages 18 to 19 of this circular.

The Company has appointed, and the Independent Board Committee has approved, the appointment of Gram Capital as the Independent Financial Adviser so as to give advice to the Independent Board Committee and independent Shareholders in relation to the proposed Grant to the Connected Persons. The letter from Gram Capital is set out on pages 20 to 36 of this circular.

GENERAL

The EGM will be held at 10:00 a.m. on Tuesday, 22 November 2016 at Units 7801-03, 78/F, The Center, 99 Queen's Road Central, Hong Kong, at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Grant to the Connected Persons. The notice of the EGM is set out on pages 61 to 62 in this circular and a form of proxy for use at the EGM is enclosed.

The resolution to be put to vote at the EGM will be taken by way of poll in accordance with the Listing Rules.

Given that Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli have material interests in the Grant to the Connected Persons, Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli holding 3,526,000 Shares, 2,850,000 Shares and 0 Share, respectively, of the Shares (as at the Latest Practicable Date representing approximately 0.06%, 0.05% and 0.00%, respectively, of the issued shares of the Company), together with their respective associates, will be required to abstain from voting in relation to the resolution to approve the Grant to the Connected Persons at the EGM.

Mr. Liu Yuanman was considered to have material interests in the Grant to the Connected Persons and has abstained from voting on the Board resolutions for approving the Grant to the Connected Persons.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the proposed ordinary resolution for approving the Grant to the Connected Persons is in the interests of the Company and its Shareholders as a whole and is fair and reasonable, and recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

A summary of the principal terms of the Scheme is set out in the Appendix I to this circular. A copy of the Scheme proposed to be adopted by Future Land Holdings will be available for inspection at Units 7801-03, 78/F, The Centre, 99 Queen's Road Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM and at the EGM.

By order of the Board
Future Land Development Holdings Limited
WANG Zhenhua
Chairman

新城发展
FUTURE
HOLDINGS

Future Land Development Holdings Limited
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

4 November 2016

To the independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO GRANT TO CONNECTED PERSONS

We have been appointed to form the Independent Board Committee to consider and advise the independent shareholders of Future Land Development Holdings Limited (the "**Company**") in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as to our opinion on the proposed grant (the "**Grant to the Connected Persons**") of 800,000, 1,500,000 and 1,500,000 restricted shares of Future Land Holdings Co., Ltd.* (新城控股集團股份有限公司) ("**Future Land Holdings**") to Mr. Liu Yuanman, a director of the Company, Mr. Liang Zhicheng, a director of the Company in the past 12 months and a director of Future Land Holdings, and Mr. Chen Deli, a director of Future Land Holdings, respectively, according to the terms of the Restricted Shares Incentive Scheme, details of which are set out in the circular issued by the Company to the shareholders of the Company dated 4 November 2016 (the "**Circular**"), of which this letter forms part. Terms used herein shall have the same meanings as defined in the Circular unless the context otherwise defined.

We wish to draw the attention of the independent Shareholders to the letter from the Board, set out on pages 4 to 17 of the Circular, and the letter of advice from Gram Capital, set out on pages 20 to 36 of the Circular.

Having taken into account the principal factors and reasons considered by Gram Capital, its conclusion and advice, we concur with the view of Gram Capital and consider that the terms of the proposed Grant to the Connected Persons are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The 50% discount of the higher of (i) the closing price of the A Shares quoted on the Shanghai Stock Exchange on the last trading day immediately preceding 19 August 2016, the date of the announcement on the Scheme made by Future Land Holdings; and (ii) the average of the closing prices of the A Shares quoted on the Shanghai Stock Exchange for the last 20 trading days immediately preceding 19 August 2016, the date of the announcement on the Scheme made by Future Land Holdings, under the

** For identification purpose only*

Restricted Share Incentive Scheme, is offered to the selected directors, management and key employees of Future Land Holdings in order to align their interests with Future Land Holdings and to retain the talents, which will in return provide more long lasting support for the future development of the Group. Due to the employee incentive nature, we consider that the proposed Grant to the Connected Persons is not on normal commercial terms and not in the ordinary and usual course of business of the Group.

Accordingly, we recommend the independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the proposed Grant to the Connected Persons.

Yours faithfully,
Independent Board Committee of
Future Land Development Holdings Limited
Independent Non-executive Directors
Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Grant to the Connected Persons and the transactions contemplated thereunder for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

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

4 November 2016

To: The independent board committee and the independent shareholders of Future Land Development Holdings Limited

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO GRANT TO CONNECTED PERSONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Grant to the Connected Persons and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 4 November 2016 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 19 August 2016, the board of directors of Future Land Holdings, being a subsidiary of the Company and a company established in the PRC whose shares are listed on the Shanghai Stock Exchange, conditionally adopted the Scheme and approved the proposal in respect of the Grant. The number of the Restricted Shares to the Connected Grantees (as defined below) under the Grant is 3,800,000 A Shares, representing approximately 0.171% of the total number of A Shares as enlarged by the Restricted Shares to be granted to the Connected Grantees.

Mr. Liu Yuanman ("**Mr. Liu**") is a Director, Mr. Liang Zhicheng ("**Mr. Liang**") was a Director in the past 12 months and a director of Future Land Holdings and Mr. Chen Deli ("**Mr. Chen**" and together with Mr. Liu and Mr. Liang, the "**Connected Grantee(s)**") is a director of Future Land Holdings and hence connected persons of the Company. The Grant to the Connected Persons constitutes non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are thus subject to reporting, announcement and the Independent Shareholders' approval requirements.

The Independent Board Committee comprising Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the respective terms of the Grant to the Connected Persons are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Grant to the Connected Persons is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Grant to the Connected Persons and the transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Grant to the Connected Persons. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 the circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company and the Connected Grantees or their respective subsidiaries (where applicable) or associates, nor have

we considered the taxation implication on the Group or the Shareholders as a result of the Grant to the Connected Persons. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

Principal factors and reasons considered

In arriving at our opinion in respect of the Grant to the Connected Persons, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Grant to the Connected Persons

Information on the Company

The principal business of the Group is property development, property investment and property management business in the PRC. Set out below are the consolidated financial information of the Group for the two years ended 31 December 2015 and the six months ended 30 June 2016 as extracted from the annual report of the Company for the year ended 31 December 2015 (the "**2015 Annual Report**") and the interim report of the Company for the six months ended 30 June 2016 (the "**2016 Interim Report**"), respectively:

	For the six months ended 30 June 2016	**For the year ended 31 December 2015**	**For the year ended 31 December 2014**	**Change from 2014 to 2015**
	RMB'000	*RMB'000*	*RMB'000*	*%*
	(unaudited)	*(audited)*	*(audited)*	
Revenue	9,302,948	23,835,889	20,718,670	15.05
Gross profit	1,935,248	4,856,206	3,874,043	25.35
Profit for the period/year	750,872	1,856,237	1,679,287	10.54

As depicted by the above table, the Group's revenue and profit for the year ended 31 December 2015 ("**FY2015**") was increased by approximately 15.05% and 10.54% respectively as compared to the year ended 31 December 2014 ("**FY2014**"). With reference to the 2015 Annual Report and as confirmed by the Directors, the said increase in profit was mainly due to the benefits from the strategy of highlighting residential property development and operation of commercial projects of the Group.

With reference to the 2016 Interim Report, the Group will hold on to its regional expansion strategy, further penetrate the existing cities, enhance the city-level companies' ability to expand land bank, and optimise the performance-based compensation mechanism and improve the profit oriented incentives within the Group.

There are two reporting segments of the Group, namely, (i) Future Land Holdings (the "**A Share Company Segment**"); and (ii) property management and other service companies not within Future Land Holdings (the "**Non-A Share Companies Segment**"). The A Share Company Segment and the Non-A Share Companies Segment recorded segment revenue approximately RMB23.57 billion and RMB0.38 billion respectively during FY2015.

Information on Future Land Holdings

Future Land Holdings is listed on the Shanghai Stock Exchange and a subsidiary of the Company. The principal business is sales and development of property business in the PRC.

In 2015, the Company contemplated a restructuring which involved (i) Future Land Holdings issued A Shares to all shareholders (other than Future Land Holdings) of 江蘇新城地產股份有限公司 (Jiangsu Future Land Co., Ltd.*) ("**Jiangsu Future Land**"), a subsidiary of the Company which was listed on the Shanghai Stock Exchange prior to the Absorption & Merger (as defined below); and (ii) Future Land Holdings absorbed and merged Jiangsu Future Land by way of share swap (the "**Absorption & Merger**").

Prior to the Absorption & Merger, Future Land Holdings held 58.86% equity interest in Jiangsu Future Land. After the Absorption & Merger which took place in November 2015, (i) Future Land Holdings was the subsisting company which held all the assets, liabilities, businesses, personnel, contracts and all other rights and obligations of Jiangsu Future Land; and (ii) Jiangsu Future Land was delisted from the Shanghai Stock Exchange and deregistered as a legal person.

Set out below are the consolidated financial information of Future Land Holdings for the two years ended 31 December 2015 and the six months ended 30 June 2016 as extracted from the annual report of Future Land Holdings for the year ended 31 December 2015 and the interim report of Future Land Holdings for the six months ended 30 June 2016 (which were prepared in accordance with the PRC GAAP), respectively:

	For the six months ended 30 June 2016 *In RMB (unaudited)*	**For the year ended 31 December 2015** *In RMB (audited)*	**For the year ended 31 December 2014** *In RMB (audited)*	**Change from 2014 to 2015** *%*
Revenue	9,071,574,359	23,568,793,145	20,674,198,043	14.00
Operating profit	1,228,353,198	3,272,224,420	2,374,935,376	37.78
Profit after taxation for the period/year	860,378,546	2,399,604,653	1,792,345,649	33.88

Information on the Connected Grantees

Set out below are the information of the Connected Grantees provided by the Company:

Mr. Liu

Mr. Liu joined the Group in 2006 and is holding the following positions:

Period	**Company name**	**Position**
2010 to present	新城萬博置業有限公司 (Future Land Wanbo Property Co., Ltd.*), a subsidiary of the Company	Vice president
2011 to present	Future Land Holdings	Vice president of business department
2012 to present	The Company	Executive Director

Mr. Liu graduated from Changzhou Construction Vocational University with a diploma in industrial and civil engineering in May 1984. Mr. Liu was qualified as a civil engineer in 2000.

Prior to joining the Group, Mr. Liu had the following working experience:

Period	Company name	Position
1984 to 1995	Changzhou Marine Products Co., Ltd.	Staff
1995 to 2002	Changxin Real Estate Development Co., Ltd.	General manager and chairman
2003 to 2006	Wuxi Jintaihu Real Estate Limited Company	General manager

Mr. Liu was responsible for the overall business of the aforesaid companies and gained valuable experience in project management.

Mr. Liang

Mr. Liang joined the Group in 2003 and is holding the following positions:

Period	Company name	Position
2014 to present	Future Land Holdings	Director
2015 to present	Future Land Holdings	Vice President

In the past, Mr. Liang also served the Group at the following positions:

Period	Company name	Position
2003 to 2005	Jiangsu Future Land	Deputy manager in the administration and management department
2005	Changzhou Xinlong Chuangzhi Real Estate Development Co., Ltd., a subsidiary of the Company	Assistant to general manager/ Deputy general manager
2005 to 2007	Suzhou Future Land Wanjia Real Estate Co., Ltd., a subsidiary of the Company	General manager/ deputy general manager

Period	Company name	Position
2005 to 2007	Kunshan Future Land Chuangzhi Development Co., Ltd., a subsidiary of the Company	General manager
2007 to 2008	Jiangsu Future Land	Assistant to president
2007 to 2008	Jiangsu Future Land Property Management Co., Ltd., a subsidiary of the Company	Chairman and general manager
2008 to 2010	Wuxi Future Land Wanjia Property Co., Ltd., a subsidiary of the Company	General manager
2010 to 2014	Jiangsu Future Land	Vice president/ Assistant president
2014	The Company	Co-president
2014 to 2016	The Company	Executive Director

Prior to joining the Group, Mr. Liang worked at Jiangsu Xinya Chemical Group between August 1988 and January 2003, where he was responsible for the administration.

Mr. Liang graduated from Southwest University in 2014 majoring in Visual Communication Design and was qualified as an economist in 2003.

Mr. Chen

Mr. Chen is a director and vice president of Future Land Holdings since 2016.

Mr. Chen holds an Executive Master of Business Administration from the Southwestern University of Finance and Economics.

Prior to joining the Group, Mr. Chen had the following working experience:

Period	Company name	Position
1997 to 2001	Wuhan company of 新加坡誼來集團 (Singapore Yilai Group*)	General manager
2001 to 2006	四川華立集團舜苑商業地產公司 (Sichuan Holley Group Shunyuan Commercial Property Company*)	General manager
2006 to 2010	Capitamalls Asia Limited	Regional manager of the PRC
2010 to 2016	Wanda Group	A number of key management positions

Reasons for and benefits of the Grant to the Connected Persons

With reference to the Appendix I to the Circular, the objectives of the Scheme is to further refine the corporate governance structure of the Future Land Holdings, facilitate the Future Land Holdings in establishing and improving its incentive and restraint mechanisms, fully mobilise the motivation of directors, senior management and key employees of the Future Land Holdings, effectively tying the interests of shareholders, interests of the Future Land Holdings and personal interests of operators, and enabling the respective parties to become aware of the Future Land Holdings' long-term development.

Based on our independent research, we note that it is a common practice for listed companies in Shanghai/Shenzhen to adopt restricted share incentive scheme for their personnel and employees.

Having considered the above reasons and that the (i) the Grant to the Connected Persons can motivate the Connected Grantees to make contributions to the Group; (ii) the Grant to the Connected Persons is consistent with the Group's performance-based compensation mechanism; (iii) the Scheme is a common market practice; and (iv) there will not be any actual cash paid by the Group to the Connected Grantees under the Grant to the Connected Persons, we concur with the Directors that the Grant to the Connected Persons is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Grant to the Connected Persons

The Grant to the Connected Persons

Mr. Liu is a Director, Mr. Liang was a Director in the past 12 months and a director of Future Land Holdings and Mr. Chen is a director of Future Land Holdings and hence connected persons of the Company. The grant of the Restricted Shares to each of Mr. Liu, Mr. Liang and Mr. Chen constitutes non-exempt connected transactions of the Company, which are subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the aforesaid grant of the Restricted Shares are as follows:

Name	**Number of the Restricted Shares to be granted**	**Consideration to be paid** *(RMB)*	**Percentage of the total amount of the Grant**	**Percentage to the total share capital of Future Land Holdings as enlarged by the Grant to the Connected Persons**
Mr. Liu	800,000	5,520,000	1.90%	0.036%
Mr. Liang	1,500,000	10,350,000	3.57%	0.068%
Mr. Chen	1,500,000	10,350,000	3.57%	0.068%

The Grant Price

The price of the Grant to the Connected Persons shall be RMB6.9 per A Share (the "**Grant Price**"), which is the higher of the followings:

(i) 50% of the closing price of the A Shares quoted on the Shanghai Stock Exchange on the last trading day immediately preceding 19 August 2016, being the date of the announcement on the Scheme made by Future Land Holdings (the "**Benchmark Price I**"); and

(ii) 50% of the average of the closing prices of the A Shares quoted on the Shanghai Stock Exchange for the last 20 trading days immediately preceding 19 August 2016, being the date of the announcement on the Scheme made by Future Land Holdings (the "**Benchmark Price II**").

As advised by the PRC legal adviser of the Company, the Grant Price have to comply with the requirements set out under 《上市公司股權激勵管理辦法》 (The Measures Governing Equity Incentive Plans of Listed Companies*) promulgated by the CSRC (the "**Measures**"), which requires the issue price of new shares not to be set at a price lower than the highest of the (i) 50% of the average trading price on the trading day preceding the date of announcement of the incentive scheme; and (ii) 50% of the average price for the period of last 20, 60 or 120 trading days preceding the date of announcement of the A shares incentive scheme.

As demonstrated above, the Grant Price complies with the Measures.

To assess the fairness and reasonableness of the Grant Price, we have identified those restricted A shares incentive schemes announced by companies listed on the Shenzhen Stock Exchange/Shanghai Stock Exchange in August and September 2016, being the two-months period prior to and including 30 September 2016, being the date of the announcement of the Scheme and the Grant to the Connected Persons made by the Company. To the best of our knowledge, we found 46 schemes (the "**Comparables**") and they are exhaustive as far as we are aware of. Set out below are the summary of the Comparables:

Date of announcement	Company name (Stock code)	Percentage of the initial grant price to the benchmark price (being the higher of (i) the closing price/average trading price of the subject A shares on the trading day preceding the date of announcement of the incentive scheme; and (ii) the average closing price/average price of the subject A shares for the period of last 20/30/60/120 trading days preceding the date of announcement of the incentive scheme	Unlocking provision over a period of time	Conditions for unlocking the restricted A shares which are based on, amongst others, the participants' performance and/or financial performance of the listed companies
3 August 2016	Vtron Technologies Ltd. (002308)	50%	Yes	Yes
4 August 2016	GuoChuang Software Co., Ltd. (300520)			
5 August 2016	SuZhou Thvow Technology. Co., Ltd. (002564)	50%	Yes	Yes
5 August 2016	Anhui Zhongding Sealing Parts Co., Ltd. (000887)	50%	Yes	Yes
6 August 2016	Zhejiang Hailiang Co., Ltd. (002203)	50%	Yes	Yes

Date of announcement	Company name (Stock code)	Percentage of the initial grant price to the benchmark price (being the higher of (i) the closing price/average trading price of the subject A shares on the trading day preceding the date of announcement of the incentive scheme; and (ii) the average closing price/average price of the subject A shares for the period of last 20/30/60/120 trading days preceding the date of announcement of the incentive scheme	Unlocking provision over a period of time	Conditions for unlocking the restricted A shares which are based on, amongst others, the participants' performance and/or financial performance of the listed companies
9 August 2016	Shenzhen Gas Corporation Ltd. (601139)	50%	Yes	Yes
15 August 2016	Shenzhen Sunlord Electronics Co., Ltd. (002138)	50%	Yes	Yes
15 August 2016	Shijiazhuang Tonhe Electronics Technologies Co., Ltd. (300491)	50%	Yes	Yes
16 August 2016	Shenzhen Hifuture Electric Co., Ltd. (002168)	50%	Yes	Yes
16 August 2016	Jiangsu Aoyang Technology Corporation Limited. (002172)	50%	Yes	Yes
16 August 2016	Chongqing DIMA Industry Co., Ltd. (600565)	50%	Yes	Yes
19 August 2016	Zhejiang Medicine Co., Ltd. (600216)	50%	Yes	Yes
22 August 2016	Staidson (Beijing) BioPharmaceuticals Co., Ltd. (300204)	50%	Yes	Yes
22 August 2016	YGSOFT Inc. (002063)	50%	Yes	Yes
23 August 2016	Teamax Smart City Technology Corporation Limited (000662)	50%	Yes	Yes
24 August 2016	Dongjiang Environmental Company Limited (002672/HK895)			
25 August 2016	Dalian Refrigeration Co., Ltd. (000530)	50%	Yes	Yes
26 August 2016	Tongyu Communication Inc. (002792)	50%	Yes	Yes

Date of announcement	Company name (Stock code)	Percentage of the initial grant price to the benchmark price (being the higher of (i) the closing price/average trading price of the subject A shares on the trading day preceding the date of announcement of the incentive scheme; and (ii) the average closing price/average price of the subject A shares for the period of last 20/30/60/120 trading days preceding the date of announcement of the incentive scheme	Unlocking provision over a period of time	Conditions for unlocking the restricted A shares which are based on, amongst others, the participants' performance and/or financial performance of the listed companies
27 August 2016	Fujian Cosunter Pharmaceutical Co., Ltd. (300436)	50%	Yes	Yes
29 August 2016	Guangzhou Haozhi Industrial Co., Ltd. (300503)	50%	Yes	Yes
1 September 2016	Chongqing Landai Powertrain Corp., Ltd. (002765)	50%	Yes	Yes
2 September 2016	Guangzhou Hi-target Navigation Tech Co., Ltd. (300177)	50%	Yes	Yes
2 September 2016	Zhejiang Satellite Petro Chemical Co., Ltd. (002648)	50%	Yes	Yes
5 September 2016	Zhejiang Meida Industrial Co., Ltd. (002677)	50%	Yes	Yes
6 September 2016	Nsfocus Information Technology Co., Ltd. (300369)	50%	Yes	Yes
6 September 2016	Nanjing Quanxin Cable Technology Co., Ltd. (300447)	50%	Yes	Yes
9 September 2016	Harbin Pharmaceutical Group Co., Ltd. (600664)	50%	Yes	Yes
9 September 2016	Apex Technology Co., Ltd. (002180)	50%	Yes	Yes
10 September 2016	Spring Airlines Co., Ltd. (601021)	50%	Yes	Yes
13 September 2016	Der Future Science and Technology Holding Group Co., Ltd. (002631)	50%	Yes	Yes
14 September 2016	Beijing Etrol Technologies Co., Ltd. (300370)	50%	Yes	Yes
18 September 2016	Shanghai Oriental Pearl Media Co., Ltd. (600637)	50%	Yes	Yes

Date of announcement	Company name (Stock code)	Percentage of the initial grant price to the benchmark price (being the higher of (i) the closing price/average trading price of the subject A shares on the trading day preceding the date of announcement of the incentive scheme; and (ii) the average closing price/average price of the subject A shares for the period of last 20/30/60/120 trading days preceding the date of announcement of the incentive scheme	Unlocking provision over a period of time	Conditions for unlocking the restricted A shares which are based on, amongst others, the participants' performance and/or financial performance of the listed companies
19 September 2016	Netposa Technologies, Ltd. (300367)	50%	Yes	Yes
20 September 2016	Guangdong Hongtu Technology (Holdings) Co., Ltd. (002101)	50%	Yes	Yes
22 September 2016	Shenzhen Jufei Optoelectronics Co., Ltd. (300303)	50%	Yes	Yes
23 September 2016	Inly Media Co., Ltd. (603598)	50%	Yes	Yes
23 September 2016	Fuxin Dare Automotive Parts Co., Ltd. (300473)	50%	Yes	Yes
26 September 2016	Sanquan Food Co., Ltd. (002216)	50%	Yes	Yes
26 September 2016	Dawning Information Industry Co., Ltd. (603019)	50%	Yes	Yes
26 September 2016	Jolywood (Suzhou) Sunwatt Co., Ltd. (300393)	50%	Yes	Yes
26 September 2016	Shenzhen Expressway Co., Ltd. (600548/HK548)	50%	Yes	Yes
27 September 2016	Shenzhen Sunway Communication Co., Ltd. (300136)	50%	Yes	Yes
28 September 2016	Xi'an Longi Silicon Materials Corp. (601012)	50%	Yes	Yes
29 September 2016	Henan Mingtai Al. Industrial Co., Ltd. (601677)	50%	Yes	Yes
30 September 2016	Shenzhen Sunwin Intelligent Co., Ltd. (300044)	50%	Yes	Yes
30 September 2016	Zhejiang Canaan Technology Co., Ltd. (300412)	50%	Yes	Yes

Sources: http://www.sse.com.cn/ and http://www.szse.cn/

As demonstrated in the above table, all of the initial grant price of the Comparables were determined based on 50% of the benchmark price (being the higher of (i) the closing price/average trading price of the subject A shares on the trading day preceding the date of announcement of the incentive scheme; and (ii) the average closing price/average price of the subject A shares for the period of last 20, 30, 60 and/or 120 trading days preceding the date of announcement of the incentive scheme).

Given that the Grant Price (i) is the higher of the Benchmark Price I and the Benchmark Price II; and (ii) complies with the Measures, we are of the view that the Grant Price is in line with the market practice, fair and reasonable so far as the Independent Shareholders are concerned.

*The Validity Period and unlocking provision (the "**Unlocking Provision**")*

With reference to the Board Letter, the Validity Period of the Scheme shall be for no longer than 48 months, starting from the day on which the Restricted Shares are granted until the day on which all the Restricted Shares are unlocked or repurchased and cancelled.

The lock-up period of the Restricted Shares is 12 months from the date of Grant, during which period the Restricted Shares shall not be transferred or used for debt repayment. Details of the Validity Period and the Unlocking Provision are set out under the section headed "4. Validity Period and unlocking period" of the Board Letter.

We concur with the Directors' view that the aforesaid provision may provide incentives to the Connected Grantees to remain employed with Future Land Holdings during such period and thereby enable Future Land Holdings to benefit from the continued service, thus providing long-term rewards and retention incentives and attract and retain human resources that are valuable to the growth and development of Future Land Holdings as a whole.

*The conditions for unlocking the Restricted Shares (the "**Unlocking Conditions**")*

With reference to the Board Letter, the Restricted Shares shall only be unlocked by the Participants upon achieving the following performance targets as set out in the Scheme. These include achieving certain grading by the Participant in his/her performance appraisal under the appraisal methods of Future Land Holdings and other financial performance target by Future Land Holdings. Details (including specified performance targets) of the Unlocking Conditions are set out under the section headed "7. Conditions for unlocking the Restricted Shares" of the Board Letter.

With reference to the Board Letter, the performance appraisal targets of Future Land Holdings for the first unlocking, second unlocking and third unlocking (the "**Performance Appraisal Targets**") are (i) net profit attributable to shareholders of the parent company reaching RMB2.5 billion in 2016 (the "**2016 Target**"); (ii) net profit attributable to shareholders of the parent company reaching RMB3.5 billion in 2017 (the "**2017 Target**"); and (iii) net profit attributable to shareholders of the parent company reaching RMB5.0 billion in 2018 (the "**2018 Target**"), respectively. We noted that (i) the 2016 Target represents approximately 136% of Future Land Holdings' net profit attributable to shareholders of the parent company of RMB1,836,274,417 for FY2015; (ii) the 2017 Target represents approximately 140% of the 2016 Target; and (iii) the 2018 Target represents approximately 143% of the 2017 Target.

To assess the reasonableness of the aforesaid performance appraisal targets, we have enquired into the Directors and were advised by the Directors that the Performance Appraisal Targets were determined with reference to the internal estimated targets which are considered practical by the management of Future Land Holdings. For reference only, the Absorption & Merger took place in November 2015 and the net profit attributable to shareholders of Future Land Holdings for FY2015 was approximately RMB1.84 billion, representing approximately 157% of the net profit attributable to shareholders of Future Land Holdings for FY2014.

Having taken into account the above, we consider the aforesaid Performance Appraisal Targets to be reasonable.

Given the above, we are of the view that the Unlocking Conditions, together with the Unlocking Provision, will strengthen the incentive for the Connected Grantees to use their efforts to achieve the performance targets, which will contribute to the growth and development of Future Land Holdings.

In addition, according to our observation on the Comparables, we note that it is a common practice for restricted A shares incentive schemes to have (i) unlocking provision over a period of time; and (ii) conditions for unlocking the restricted A shares which are based on, amongst others, the participants' performance and/or financial performance of the listed companies.

Having considered the above, we are of the view that the terms of the Grant to Connected Persons are fair and reasonable so far as the Independent Shareholders are concerned. Nevertheless, as the Grant to the Connected Persons is only available to the Connected Persons with a substantially discounted Grant Price and other employees (save for the Participants) of the Future Land Holdings are not entitled to such remuneration, we consider that the Grant to the Connected Persons is not on normal commercial terms and not conducted in the ordinary and usual course of business of the Group.

3. Dilution effect on the shareholding interests of the existing shareholders of Future Land Holdings

The number of the Restricted Shares to the Connected Grantees under the Grant is 3,800,000 A Shares, representing approximately 0.171% of the total number of A Shares as enlarged by the Restricted Shares to be granted to the Connected Grantees. Accordingly, the dilution effect on the shareholding interests of the existing shareholders of Future Land Holdings will be immaterial.

4. Financial effect of the Grant to the Connected Persons

The estimated financial effects which will arise (a) upon the grant day of the First Tranche Grant of the Restricted Shares; and (b) upon the various unlocking dates of the First Tranche Grant of the Restricted Shares, are set out under the section headed "FINANCIAL EFFECT OF THE DEEMED DISPOSAL" of the Board Letter. Based on the aforesaid estimated financial effects, the Group does not expect any material financial impact on the Group's assets or liabilities or any material gain or loss recorded directly arising from the issue and unlocking of the Restricted Shares (including those to be issued under the Grant to the Connected Persons).

Given that the Restricted Shares to be issued under the Grant to the Connected Persons only represent approximately 10% of the Restricted Shares under the First Tranche Grant, the Group does not expect any material financial impact on the Group's assets or liabilities or any material gain or loss recorded directly arising from the Grant to the Connected Persons.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, in particular:

(i) the reasons as described under the section headed "Reasons for and benefits of the Grant to the Connected Persons" of this letter and we consider that the Grant to the Connected Persons is in the interests of the Company and the Shareholders as a whole;

(ii) the Grant Price is in line with the market practice, fair and reasonable so far as the Independent Shareholders are concerned;

(iii) the Validity Period and Unlocking Provision may provide incentives to the Connected Grantees to remain employed with Future Land Holdings during such period and thereby enable Future Land Holdings to benefit from the continued service, thus providing long-term rewards and retention incentives and attract and retain human resources that are valuable to the growth and development of Future Land Holdings as a whole; and

(iv) the immaterial dilution effect on the shareholding interests of the existing shareholders of the Future Land Holdings;

we are of the opinion that although the Grant to the Connected Persons is not on normal commercial terms and not conducted in the ordinary and usual course of business of the Group, (i) the terms of the Grant to the Connected Persons are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Grant to the Connected Persons is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Grant to the Connected Persons and the transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

* *For identification purpose only*

Future Land Holdings Co., Ltd.
Summary of the First Phase of the Restricted Share Incentive Scheme

I. DEFINITIONS

Unless otherwise stated, the following expressions herein have the following meanings:

Future Land Holdings	Future Land Holdings Co., Ltd.
Restricted Share Incentive Scheme, Share Option Incentive Scheme, Incentive Scheme, Scheme	the restricted share incentive scheme for management members and other employees of Future Land Holdings with A shares of Future Land Holdings as underlying shares
Restricted Share(s)	the A shares of a certain number obtained by Participants from Future Land Holdings in accordance with the conditions provided by the Scheme
Participant(s)	the management member(s) and other employee(s) of Future Land Holdings who obtain Restricted Shares in accordance with the provisions of the Scheme
Grant Date	the date, being a trading day for A shares, on which Restricted Shares are granted to Participants by Future Land Holdings
Grant Price	the price of each of the Restricted Shares granted to Participants by Future Land Holdings
Lock-up Period	the period during which Participants are restricted to transfer the Restricted Shares granted under the Scheme, being the period from the day on which Restricted Shares are granted to Participants to the day on which those Restricted Shares are unlocked
Unlocking Date	the day on which Restricted Shares held by Participants are unlocked upon satisfaction of the unlocking conditions stipulated by the Scheme
Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China

Administrative Measures	the Administrative Measures on Share Incentives of Listed Companies (2016)
Articles of Association	the Articles of Association of Future Land Holdings Co., Ltd.
CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Depository and Clearing Company	China Securities Depository and Clearing Co., Ltd. Shanghai Branch
RMB	Renminbi yuan

II. OBJECTIVES OF THE SCHEME

To further refine the corporate governance structure of Future Land Holdings, facilitate Future Land Holdings in establishing and improving its incentive and restraint mechanisms, fully mobilise the motivation of directors, senior management and key employees of Future Land Holdings, effectively tying the interests of shareholders, interests of Future Land Holdings and personal interests of operators, and enabling the respective parties to become aware of Future Land Holdings' long-term development, Future Land Holdings has formulated the Restricted Share Incentive Scheme in accordance with the Company Law, Securities Law, Administrative Measures and other laws, regulations and regulatory documents and the Articles of Association.

III. MANAGEMENT AUTHORITIES OF THE SCHEME

(I) As the highest authority of Future Land Holdings, the general meeting is responsible for considering and approving the implementation, modification and termination of the Scheme.

(II) The board of the directors of Future Land Holdings is the authority for executing and managing the Share Option Incentive Scheme, while the remuneration and appraisal committee under the board of the directors of Future Land Holdings is responsible for formulating and amending the Share Option Incentive Scheme for submission to the general meeting for consideration and approval and to the competent authorities for examination, and handles the relevant matters of the Scheme within the scope authorised by the general meeting.

(III) The board of supervisors is the supervisory authority of the Scheme, responsible for examining the list of Participants, and conducts supervision on whether the implementation of the Scheme is in compliance with relevant laws, administrative regulations, departmental rules and business rules of the SSE.

(IV) The independent directors shall express independent opinions on whether the Scheme is conducive to the sustainable development of Future Land Holdings and whether it will obviously prejudice the interests of Future Land Holdings and all shareholders, and solicit proxy voting rights in respect of the Scheme from all shareholders.

IV. BASIS FOR DETERMINING THE PARTICIPANTS AND THE SCOPE OF PARTICIPANTS OF THE SCHEME

(I) Basis for determining the Participants

1. Legal basis for determining the Participants

The Participants of the Scheme shall be determined in accordance with the relevant provisions of the Company Law, Securities Law, Administrative Measures and other relevant laws, regulations and regulatory documents and the Articles of Association, taking into account the actual circumstances of Future Land Holdings.

2. Position basis for determining the Participants

The Participants of the Scheme shall be the current directors (excluding independent directors), senior management, middle management and key employees of Future Land Holdings.

(II) Scope of the Participants

The Participants involved in the Scheme include the following persons, and do not include Future Land Holdings' independent directors, supervisors, shareholders holding 5% or more of the shares of the listed company individually or jointly or de facto controllers and their spouses, parents and children:

1. directors of Future Land Holdings;

2. senior management of Future Land Holdings; and

3. middle management and key employees.

The total number of Participants of the first grant under the Scheme is 59. The specific list of Participants and its distribution ratio are determined by the board of the directors of Future Land Holdings and verified by the board of supervisors; where approval of the general meeting of Future Land Holdings is required, relevant procedures have to be performed. All Participants must be employed under Future Land Holdings, its branch companies or controlling subsidiaries and sign labour contract with and receive salary from Future Land Holdings or its controlling subsidiaries.

For the names and positions of the Participants involved in the Incentive Scheme, please refer to the "List of Participants of the First Phase of the Restricted Share Incentive Scheme of Future Land Holdings Co., Ltd."

The Participants of the reserved portion for granting will be confirmed by the board of the directors of Future Land Holdings within 12 months after the first Grant Day, after which the proposal by the board of the directors of Future Land Holdings will be verified by board of supervisors and the lawyers will provide professional opinion and issue legal opinion, followed by the disclosure of relevant information of the Participants by Future Land Holdings according to the requirements in designated websites in a timely and accurate manner. Reference will be made to the determination basis of the first grant for the determination basis of the Participants of the reserved portion.

(III) Verification of Participant

The board of supervisors shall review the list for the share option incentive and pay full attention to public opinion. Future Land Holdings will disclose the review of the list of Participants by the board of supervisors and explain the public opinion 5 days prior to the consideration and approval of the Share Option Incentive Scheme by the general meeting.

V. SOURCE AND NUMBER OF SHARES UNDER THE SCHEME

(I) Source of shares under the Scheme

The source of the underlying shares under the Scheme shall be A shares of Future Land Holdings to be issued by Future Land Holdings to the Participants.

(II) Number of underlying shares under the Scheme

The total number of the underlying shares under the Scheme is 42,000,000 A shares of Future Land Holdings, representing 1.891% of Future Land Holdings' total share capital of 2,220,480,000 shares as at the date of the Scheme's announcement, of which 38,500,000 shares will be granted under the First Tranche Grant, representing 1.734% of Future Land Holdings' total share capital as at the date of the Scheme's announcement and 91.67% of the Restricted Shares that may be granted under the Scheme; 3,500,000 shares will be reserved, representing 0.158% of Future Land Holdings' total share capital as at the date of the Scheme's announcement and 8.33% of the Restricted Shares that may be granted under the Scheme.

VI. ALLOCATION OF THE RESTRICTED SHARES GRANTED TO PARTICIPANTS UNDER THE SCHEME

Details of the allocation of the Restricted Shares among the Participants under the Scheme are as follows:

Number	Name	Position in Future Land Holdings	Number of Restricted Shares to be granted	Percentage to the total amount of this grant	Percentage to the total share capital of Future Land Holdings as at the date of this announcement
1	Liang Zhicheng	Director and Vice President	1,500,000	3.57%	0.068%
2	Chen Deli	Director and Vice President	1,500,000	3.57%	0.068%
3	Yan Zheng	Vice President	1,200,000	2.86%	0.054%
4	Guo Nannan	Vice President	1,200,000	2.86%	0.054%
5	Ni Lianzhong	Vice President	1,200,000	2.86%	0.054%
6	Zhou Kejie	Vice President	1,000,000	2.38%	0.045%
7	Liu Yuanman	Vice President of Business Department	800,000	1.90%	0.036%
8	Tang Yunlong	Vice President	800,000	1.90%	0.036%
9	Ouyang Jie	Vice President	600,000	1.43%	0.027%
10	Guan Youdong	Financial Controller	1,000,000	2.38%	0.045%
11	Chen Peng	Board Secretary	800,000	1.90%	0.036%
48 middle management and key employees of Future Land Holdings			26,900,000	64.05%	1.211%
Reserved portion			3,500,000	8.33%	0.158%
Total			42,000,000	100.00%	1.891%

Notes:

1. No Participants of the Scheme has participated in share option incentive schemes of two or more listed companies.

2. The number of shares acquired by any of the above Participants through the Scheme does not exceed 1% of Future Land Holdings' total share capital of the same class. The total number of the underlying shares in relation to all Share Option Incentive Schemes of Future Land Holdings in force shall not exceed 10% of Future Land Holdings' total share capital at the time of submission of relevant proposal to the general meeting.

VII. VALIDITY PERIOD, GRANT DATE, LOCK-UP PERIOD, UNLOCKING DATE AND RELEVANT SALES RESTRICTIONS OF THE SCHEME

(I) Validity Period of the Scheme

The Validity Period of the Scheme shall be for no longer than 48 months, starting from the day on which the Restricted Shares are granted until the day on which all the Restricted Shares are unlocked or repurchased and cancelled.

(II) Grant Date

The Grant Date of the Scheme shall be determined by the board of the directors of Future Land Holdings after being approved by the general meeting of Future Land Holdings. Upon consideration and approval of the Scheme by the general meeting of Future Land Holdings and satisfaction the conditions for granting and within 60 days after achievement of granting conditions, Future Land Holdings shall in accordance with the relevant provisions convene a Board meeting to implement the granting to the Participants and complete the relevant registration and announcement procedures.

The Grant Date must be a trading day and must not fall within any of the restricted periods regarding the trading of the shares of Future Land Holdings by directors and senior management of listed companies according to relevant laws, administrative regulations and departmental rules.

(III) Lock-up Period and Unlocking Date

The Restricted Shares granted to the Participants will be locked up for 12 months from the Grant Date. During the Lock-up Period, the Restricted Shares held by the Participants under the Scheme shall not be transferred or used for debt repayment.

During the Lock-up Period of the Restricted Shares, all cash dividends received by the Participants as a result of the Restricted Shares granted to them will be under the custody of Future Land Holdings and paid to the Participants as dividends payable upon unlocking; if unlocking is not permitted under the Scheme, the dividends of such part of the Restricted Shares which cannot be unlocked will be collected by Future Land Holdings. All Shares received by the Participants as a result of conversion of capital reserve, dividend distribution and sub-division in respect of the Restricted Shares granted to them will also be locked up and shall not be sold in the secondary market or otherwise transferred, and the unlocking period of such shares is identical to that of Restricted Shares; if no unlocking is permitted under the Scheme, the shares will be repurchased and cancelled by Future Land Holdings.

On the Unlocking Date, Future Land Holdings shall make arrangements for the Participants who have fulfilled the unlocking conditions for unlocking, while Future Land Holdings shall repurchase and cancel the Restricted Shares held by the Participants who have not fulfilled the unlocking conditions.

(1) The Unlocking Period and proportion arrangements of the first grant of Restricted Shares are as follows:

Unlocking Arrangement	Unlocking Period	Proportion of the Number of Shares Available for Unlocking to the Number of Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the first Grant Day and ending on the last trading day within 24 months from the Grant Day	40%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the first Grant Day and ending on the last trading day within 36 months from the Grant Day	30%
Third unlocking	Commencing from the first trading day upon the expiry of 36 months from the first Grant Day and ending on the last trading day within 48 months from the Grant Day	30%

(2) If the granting of the reserved portion of the Restricted Shares is completed in the year of 2016, the unlocking period and proportion arrangements are as follows:

Unlocking Arrangement	Unlocking Period	Proportion of the Number of Shares Available for Unlocking to the Number of Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 24 months from the Grant Day	40%

Unlocking Arrangement	Unlocking Period	Proportion of the Number of Shares Available for Unlocking to the Number of Restricted Shares
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 36 months from the Grant Day	30%
Third unlocking	Commencing from the first trading day upon the expiry of 36 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 48 months from the Grant Day	30%

(3) If the granting of the reserved portion of the Restricted Shares is completed in the year of 2017, the unlocking period and proportion arrangements are as follows:

Unlocking Arrangement	Unlocking Period	Proportion of the Number of Shares Available for Unlocking to the Number of Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 24 months from the Grant Day	50%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the Grant Day of the reserved part of the Restricted Shares and ending on the last trading day within 36 months from the Grant Day	50%

(IV) Relevant sales restrictions

The sales restrictions of the Restricted Share Incentive Scheme are implemented in accordance with relevant laws, regulations and regulatory documents such as the Company Law and the Securities Law and the Articles of Association, details of which are as follows:

1. If a Participant is a director or a member of the senior management of Future Land Holdings, the number of shares to be transferred by them each year shall not exceed 25% of the total number of shares of Future Land Holdings held by them during their terms of office, and no shares of Future Land Holdings held by them shall be transferred within 6 months following the end of their employment.

2. If a Participant is a director or a member of the senior management of Future Land Holdings, all gains from the sale of shares of Future Land Holdings within 6 months after acquisition, or from the acquisition of shares of Future Land Holdings within 6 months after sale, shall be accounted to Future Land Holdings and the board of the directors of Future Land Holdings will collect all such gains.

3. During the validity period of the Scheme, if there is a change in relevant provisions in relation to share transfer by directors and senior management of Future Land Holdings in relevant laws, regulations and regulatory documents such as the Company Law, the Securities Law and the Articles of Association, then the transfer of shares of Future Land Holdings held by such Participants shall comply with the provisions of relevant laws, regulations and regulatory documents such as the Company Law, the Securities Law and the Articles of Association as amended.

VIII. GRANT PRICE OF THE SCHEME AND BASIS OF DETERMINATION THEREOF

(I) Grant Price

The first Grant Price of the Restricted Shares under the Scheme shall be RMB6.90 per share. Upon fulfilment of the conditions for granting, Participants can purchase Future Land Holdings' Restricted Shares newly issued to the Participants by Future Land Holdings at the price of RMB6.90 per A share.

(II) Basis of determination of the first Grant Price

The first Grant Price shall be the higher of the following prices: (I) 50% of the average transaction price of the A shares of Future Land Holdings 1 trading day prior to the announcement of the draft Share Option Incentive Scheme; and (II) 50% of the average transaction price of the A shares of Future Land Holdings 20 trading days prior to the announcement of the draft Share Option Incentive Scheme.

(III) Basis of determination of the reserved Grant Price

A board meeting shall be convened before granting the reserved portion, and a summary of the granting shall be disclosed. The Grant Price shall be the higher of the following prices: (I) 50% of the average transaction price of the A shares of Future Land Holdings 1 trading day prior to the announcement of the summary; and (II) 50% of any one of the average transaction prices of the A shares of Future Land Holdings 20 trading days, 60 trading days or 120 trading days prior to the announcement of the summary.

IX. CONDITIONS FOR GRANTING AND UNLOCKING THE RESTRICTED SHARES OF THE SCHEME

(I) Conditions for granting the Restricted Shares

The following conditions must all be fulfilled before the Participants are granted the Restricted Shares:

1. None of the following circumstances has occurred to Future Land Holdings:

   (1) issue of Future Land Holdings' financial and accounting report for the most recent accounting year in which a certified public accountant gives a negative opinion or indicates the inability to give an opinion;

   (2) issue of Future Land Holdings' financial and accounting report for the most recent accounting year in which a certified public accountant gives a negative opinion or indicates the inability to give an opinion on internal control;

   (3) occurrence of circumstances under which profits were distributed without complying with laws and regulations, Articles of Association and public undertakings during the 36 months following listing;

   (4) occurrence of circumstances under which share option incentive is prohibited by laws and regulations; and

   (5) other circumstances as determined by the CSRC.

2. None of the following circumstances has occurred to the Participant:

   (1) determination as ineligible candidate by the SSE in the most recent 12 months;

   (2) determination as ineligible candidate by the CSRC and its local offices in the most recent 12 months;

   (3) the imposition of administrative penalties or adoption of market entry measures by the CSRC and its local offices during the most recent 12 months due to material non-compliance with laws and regulations;

(4) occurrence of circumstances under which the Participant is prohibited from acting as a director or member of the senior management of Future Land Holdings, as provided in the Company Law;

(5) occurrence of circumstances under which the Participant is prohibited from participating in share option incentive of listed companies by laws and regulations; and

(6) other circumstances as determined by the CSRC.

(II) Conditions for unlocking the Restricted Shares

The following conditions must all be fulfilled in accordance with the Appraisal and Administrative Measures on the Scheme before the Restricted Shares granted to the Participants may be unlocked:

1. None of the following circumstances has occurred to Future Land Holdings:

   (1) issue of Future Land Holdings' financial and accounting report for the most recent accounting year in which a certified public accountant gives a negative opinion or indicates the inability to give an opinion;

   (2) issue of Future Land Holdings' financial and accounting report for the most recent accounting year in which a certified public accountant gives a negative opinion or indicates the inability to give an opinion on internal control;

   (3) occurrence of circumstances under which profits were distributed without complying with laws and regulations, Articles of Association and public undertakings during the 36 months following listing;

   (4) occurrence of circumstances under which share option incentive is prohibited by laws and regulations; and

   (5) other circumstances as determined by the CSRC.

2. None of the following circumstances has occurred to the Participant:

   (1) determination as ineligible candidate by the SSE in the most recent 12 months;

   (2) determination as ineligible candidate by the CSRC and its local offices in the most recent 12 months;

   (3) the imposition of administrative penalties or adoption of market entry measures by the CSRC and its local offices during the most recent 12 months due to material non-compliance with laws and regulations;

(4) occurrence of circumstances under which the Participant is prohibited from acting as a director or member of the senior management of Future Land Holdings, as provided in the Company Law;

(5) occurrence of circumstances under which the Participant is prohibited from participating in share option incentive of listed companies by laws and regulations; and

(6) other circumstances as determined by the CSRC;

3. During the three accounting years from 2016 to 2018, appraisals will be conducted under the Scheme on the financial performance indicators of Future Land Holdings and the personal performance indicators on a yearly basis, and reaching the financial results appraisal targets of Future Land Holdings will be the unlocking conditions for the Participant in the current year.

Actual unlocking limit of the Participant = Personal incentive limit × proportion available for unlocking in the current year × performance coefficient of Future Land Holdings × personal unlocking proportion.

(1) Unlocking conditions pursuant to the performance of Future Land Holdings:

Future Land Holdings will conduct performance appraisals under the Scheme on a yearly basis in the three accounting years during the unlocking periods for the first tranche of Restricted Shares granted and the reserved portion of Restricted Shares for which granting is completed in 2016, and reaching the performance appraisal targets shall be the unlocking conditions for the Participant. Where the target for the net profit attributable to shareholders of the parent company in the current year is attained, the performance coefficient of Future Land Holdings equals 1, or 0 otherwise.

The specific targets for the performance appraisal of each year are listed as follows:

Unlocking Period	**Performance Appraisal Target**
First unlocking	Net profit attributable to shareholders of the parent company reaching RMB2.5 billion in 2016
Second unlocking	Net profit attributable to shareholders of the parent company reaching RMB3.5 billion in 2017
Third unlocking	Net profit attributable to shareholders of the parent company reaching RMB5.0 billion in 2018

Future Land Holdings will conduct performance appraisals under the Scheme on a yearly basis in the two accounting years during the unlocking periods for the reserved portion of Restricted Shares for which granting is completed in 2017, and reaching the performance appraisal targets shall be the unlocking conditions for the Participant. The specific targets for the performance appraisal of each year are listed as follows:

Unlocking Period	**Performance Appraisal Target**
First unlocking	Net profit attributable to shareholders of the parent company reaching RMB3.5 billion in 2017
Second unlocking	Net profit attributable to shareholders of the parent company reaching RMB5.0 billion in 2018

The setting of the performance targets for unlocking the Restricted Shares takes into full consideration of the requirements of the shareholders of the listed company on Future Land Holdings' performance. Therefore, the net profit which directly reflects the profitability of Future Land Holdings is used as the performance appraisal indicator for unlocking. The setting of the target values also takes into full consideration of the achievement of the future strategies of Future Land Holdings and the shareholders' requirements on the listed company.

(2) Unlocking conditions pursuant to the performance of the Participant:

The actual number of Restricted Shares that may be unlocked by the Participant in the current year is also linked with the Participant's performance appraisal results for the previous year. The actual proportion is determined based on the personal performance appraisal results of the Participant as follows:

Personal Annual Appraisal Results	A (Distinction) or B (Merit)	C (Pass)	D (Fail)
Personal Unlocking Proportion	100%	80%	0

4. Where requirements set out in "1. None of the following circumstances has occurred to Future Land Holdings, under **(II) Conditions for unlocking the Restricted Shares of IX. CONDITIONS FOR GRANTING AND UNLOCKING THE RESTRICTED SHARES OF THE SCHEME**" cannot be met, this Scheme terminates immediately, and all Restricted Shares held by all Participants which have not been unlocked will be repurchased and cancelled by Future Land Holdings.

5. Where requirements set out in "2. None of the following circumstances has occurred to the Participant, under **(II) Conditions for unlocking the Restricted Shares of IX. CONDITIONS FOR GRANTING AND UNLOCKING THE RESTRICTED SHARES OF THE SCHEME**" cannot be met by the Participant, all Restricted Shares available for unlocking in the current year may not be unlocked and will be repurchased and cancelled by Future Land Holdings.

6. Where any of the requirements set out in "3 under **(II) Conditions for unlocking the Restricted Shares of IX. CONDITIONS FOR GRANTING AND UNLOCKING THE RESTRICTED SHARES OF THE SCHEME**" cannot be met, the Restricted Shares which the Participant has failed to unlock in the current year will be repurchased and cancelled by Future Land Holdings.

X. METHOD AND PROCEDURES FOR ADJUSTING THE SCHEME

(I) Method of adjusting the number of Restricted Shares

After the announcement of the Scheme, in the event of any conversion of capital reserve, bonus issue, sub-division, rights issue or consolidation in relation to the shares of Future Land Holdings, adjustment to the number of Restricted Shares to be granted shall be made by Future Land Holdings accordingly. The method of adjustment is set out below:

1. Conversion of capital reserve, bonus issue and sub-division of shares

$$Q = Q_0 \times (1+n)$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of increase per share resulting from the issue of shares by conversion of capital reserve, bonus issue or sub-division of shares (i.e. the number of shares increased per share upon issue of shares by conversion of capital reserve, bonus issue or sub-division of shares); Q represents the adjusted number of Restricted Shares.

2. Rights issue

$$Q = Q_0 \times P_1 \times (1+n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of Future Land Holdings before the rights issue); Q represents the adjusted number of Restricted Shares.

3. Consolidation of shares

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of shares (i.e. one share of Future Land Holdings shall be consolidated into n shares); Q represents the adjusted number of Restricted Shares.

4. Dividend distribution and issue of additional shares

Where Future Land Holdings distributes dividends or issues additional shares, the number of Restricted Shares shall not be subject to any adjustment.

(II) Method of adjusting the Grant Price of the Restricted Shares

During the period from the date of this announcement to completion of the registration of the Restricted Shares granted to the Participants, in the event of any dividend distribution, conversion of capital reserve, bonus issue, sub-division, consolidation or rights issue of shares of Future Land Holdings, adjustment to the Grant Price shall be made by Future Land Holdings accordingly. The method of adjustment is set out below:

1. Conversion of capital reserve, bonus issue and sub-division of shares

$P = P_0 \div (1+n)$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of increase per share resulting from the issue of shares by conversion of capital reserve, bonus issue and sub-division of shares to each share; P represents the adjusted Grant Price.

2. Rights Issue

$P = P_0 \times (P_1+P_2 \times n) \div [P_1 \times (1+n)]$

Where: P_0 represents the Grant Price before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (the ratio of the number of rights issue to the total share capital of Future Land Holdings before the rights issue); P represents the adjusted Grant Price.

3. Consolidation of shares

$P = P_0 \div n$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of shares; P represents the adjusted Grant Price.

4. Dividend distribution

$P = P_0 - V$

Where: P_0 represents the Grant Price before the adjustment; V represents the dividend per share; P represents the adjusted Grant Price. After adjustment, P shall be greater than 0.

5. Issue of additional shares

Where Future Land Holdings issues additional shares, the Grant Price of the Restricted Shares shall not be subject to any adjustment.

(III) Adjustment procedures

The general meeting of Future Land Holdings shall authorise the board of the directors of Future Land Holdings to adjust the Grant Price and the number of the Restricted Shares based on the actual circumstances at the time when the above situation occurs. The board of the directors of Future Land Holdings shall make timely announcement after making adjustment to the number of the Restricted Shares and the Grant Price in accordance with the above provisions. Future Land Holdings shall engage a legal adviser to provide professional advice to the board of the directors of Future Land Holdings on whether such adjustment is in compliance with the provisions of the Administrative Measures, Articles of Association and the Scheme.

XI. ACCOUNTING MEASURES FOR THE RESTRICTED SHARES OF THE SCHEME UNDER THE PRC GAAP

In accordance with the provisions of the Accounting Standards for Business Enterprises No.11 – Share-based Payment of the PRC GAAP, on the date of the balance sheet at the end of every year during the Lock-up Period, Future Land Holdings shall revise the expected number of Restricted Shares available for unlocking in accordance with subsequent information such as the most recent change in the number of Participants to be engaged in such unlocking and the performance indicators, and include the value of services provided by the Participants in the current period in related costs or expenses and capital reserve in accordance with the fair value of the Restricted Shares on the Grant Date.

On the Unlocking Date, the Restricted Shares may be unlocked if the conditions for unlocking are met. Should all shares or part of the shares fail to be unlocked, such shares will be repurchased and cancelled by Future Land Holdings and disposed of according to accounting standards and relevant provisions.

XII. CHANGE AND TERMINATION OF THE SCHEME

(I) The Scheme will be terminated immediately in the event of occurrence of any of the following circumstances to Future Land Holdings:

1. issue of Future Land Holdings' financial and accounting report for the most recent accounting year in which a certified public accountant gives a negative opinion or indicates the inability to give an opinion;

2. issue of Future Land Holdings' financial and accounting report for the most recent accounting year in which a certified public accountant gives a negative opinion or indicates the inability to give an opinion on internal control;

3. occurrence of circumstances under which profits were distributed without complying with laws and regulations, Articles of Association and public undertakings during the 36 months following listing;

4. occurrence of circumstances under which share option incentive is prohibited by laws and regulations; and

5. other circumstances as determined by the CSRC.

In the event of the occurrence of the above circumstances to Future Land Holdings leading to the termination of the Scheme, Restricted Shares which have been granted to the Participants but have not been unlocked cannot be unlocked and will be repurchased and cancelled by Future Land Holdings.

(II) In the event of the occurrence of any of the following circumstances to Future Land Holdings, according to the level of changes in related conditions, the board of the directors of Future Land Holdings shall be authorised by the general meeting to determine whether Future Land Holdings will continue to implement, revise, suspend or terminate the Scheme, unless related documents set out clearly that the general meeting shall exercise its right accordingly:

1. change in the right of control over Future Land Holdings;

2. circumstances such as merger and separation of Future Land Holdings; and

3. other material changes.

(III) Changes of the personal conditions of the Participant

1. In the event of occurrence of the following circumstances to the Participant, the Restricted Shares granted shall have no changes and be locked and unlocked according to provisions in the Scheme:

   (1) position change of the Participant which is still within the incentive scope, including retirement, re-employment after retirement, etc.; and

   (2) other circumstances as determined by the remuneration and appraisal committee under the board.

2. In the event of occurrence of the following circumstances to the Participant, the Restricted Shares granted to the Participant shall have no changes, and the board of Future Land Holdings may determine that the appraisal conditions pursuant to the performance of the Participant will no longer be included in the unlocking conditions:

   (1) departure due to retirement upon reaching retirement age provided by the State and Future Land Holdings; and

   (2) departure due to duty-related loss of labour capacity or duty-related death.

3. In the event of loss of labour capacity or death of Participant which is unrelated to the duty of the Participant, the board of the directors of Future Land Holdings may determine that the Restricted Shares which have been granted to the Participant but have not been unlocked may not be unlocked, and should be repurchased and cancelled by Future Land Holdings.

4. In the event of the occurrence of the following circumstances to the Participant, the board of the directors of Future Land Holdings may determine that the Restricted Shares which have been granted to the Participant but have not been unlocked may not be unlocked, and should be repurchased and cancelled by Future Land Holdings. For serious circumstances which have occurred to the Participant, the board of the directors of Future Land Holdings may, depending on the actual circumstances, require the Participant to make corresponding compensation for the damage done to Future Land Holdings:

   (1) voluntary departure;

   (2) discontinuation of employment due to personal reasons when the employment contract expires;

   (3) departure due to substandard personal performance;

   (4) position changes due to incapability to fulfil duties, failure in the appraisal, non-compliance with the law, divulgence of confidential information of Future Land Holdings, dereliction of duty or malpractice which severely impair the interests or reputation of Future Land Holdings;

   (5) position change to supervisor or others who cannot hold share of Future Land Holdings; and

   (6) other circumstances under which the Participant may not act as director or member of the senior management of Future Land Holdings as provided by the Company Law.

5. Other unspecified circumstances and handling measures shall be determined by the remuneration and appraisal committee under the board of the directors of Future Land Holdings.

XIII. PRINCIPLES OF REPURCHASE AND CANCELLATION OF RESTRICTED SHARES OF THE SCHEME

(I) Repurchase price

The Restricted Shares shall be cancelled by Future Land Holdings upon repurchase pursuant to the provisions of the Scheme. The repurchase price shall be the Grant Price, unless otherwise adjusted thereunder.

(II) Adjustment method for repurchase price

After granting, in the event of any public placement or private placement and Restricted Shares shall be repurchased for cancellation pursuant to the provisions of the Scheme, no adjustment shall be made to the repurchase price. After granting, in the event of ex dividends or ex rights event of any bonus issue, conversion of capital reserve, sub-division, consolidation or rights issue of shares having an impact on the total amount or the price of the shares, an adjustment to the repurchase price for the unlocked Restricted Shares shall be made by Future Land Holdings accordingly.

1. Conversion of capital reserve, bonus issue and sub-division of shares: $P = P_0 \div (1 + n)$

   Where: P represents the adjusted repurchase price per Restricted Share; P_0 represents the Grant Price per Restricted Share; n represents the ratio of increase per share resulting from the issue of shares by conversion of capital reserve, bonus issue and sub-division of shares (i.e. the number of shares increased per share upon issue of shares by conversion of capital reserve, bonus issue or sub-division of shares).

2. Consolidation of shares: $P = P_0 \div n$

   Where: P represents the adjusted repurchase price per Restricted Share; P_0 represents the Grant Price per Restricted Share; n represents the ratio of consolidation of shares (i.e. one share of Future Land Holdings shall be consolidated into n shares);

3. Rights issue: $P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1+n)]$

   Where: P represents the adjusted repurchase price per Restricted Share; P_0 represents the Grant Price per Restricted Share; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the basis of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of Future Land Holdings before the rights issue).

(III) Adjustment procedures for repurchase price

1. The general meeting of Future Land Holdings shall authorise the board of the directors of Future Land Holdings to adjust the repurchase price of the Restricted Shares with the reasons set out above. The board of the directors of Future Land Holdings shall make timely announcement after making adjustment to the repurchase price in accordance with the above provisions.

2. Any adjustment to the repurchase price of the Restricted Shares due to other reasons, after being reviewed by the board of the directors of Future Land Holdings, shall be submitted to the general meeting of Future Land Holdings for consideration and approval.

(IV) Procedures of repurchase and cancellation

Future Land Holdings shall apply to the SSE for unlocking the Restricted Shares if Future Land Holdings will implement the repurchase according to the provisions of the Scheme. Future Land Holdings shall also pay the repurchase price to the Participants and complete the transfer of relevant shares with the Depository and Clearing Company within 5 business days upon unlocking. Within 10 business days upon share transfer, Future Land Holdings shall cancel these shares.

XIV. SUPPLEMENTARY PROVISIONS

(1) The Scheme shall become effective after consideration and approval by the general meeting of Future Land Holdings;

(2) The Scheme shall be subject to the interpretation by the board of the directors of Future Land Holdings.

Board of Directors
Future Land Holdings Co., Ltd.
19 August 2016

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 therein or this circular misleading.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests of the Directors in the Shares which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Name of Directors	Nature of interest	Number of Shares held	Approximate percentage of shareholding
Wang Zhenhua	Founder of a discretionary trust[(2)]	4,105,450,000 (L)	72.56%
Liu Yuanman	Beneficiary of a trust[(3)]	1,250,000 (L)	0.02%
	Beneficial owner[(5)]	3,526,000 (L)	0.06%
Lv Xiaoping	Beneficiary of a trust[(3)]	3,000,000 (L)	0.05%
	Beneficial owner[(5)]	9,000,000 (L)	0.16%
Wang Xiaosong	Interest in a controlled corporation[(4)]	16,800,000 (L)	0.30%
	Beneficial owner[(5)]	6,000,000 (L)	0.11%
Lu Zhongming	Beneficiary of a trust[(3)]	1,250,000 (L)	0.02%
	Beneficial owner[(5)]	3,750,000 (L)	0.07%
Chan Wai Kin	Interest of spouse[(6)]	300,000 (L)	0.01%

Notes:

(1) The letter "L" denotes the long position in Shares.

(2) Mr. Wang Zhenhua is the founder of the Hua Sheng Trust, through which Standard Chartered Trust (Singapore) Limited held long position in 4,105,450,000 Shares through its controlled corporation in its capacity as trustee.

(3) These Directors are grantees under the pre-IPO share award scheme.

(4) Mr. Wang Xiaosong is the beneficial owner of all the issued share capital of Dynasty Snow (PTC) Ltd., which in turn held 16,800,000 Shares. Mr. Wang Xiaosong is also interested in 2,000,000 Shares out of the 16,800,000 Shares held by Dynasty Snow (PTC) Ltd., by virtue of his interest in the Shares granted to him under the pre-IPO share award scheme.

(5) The Shares were vested on these Directors on 31 December 2013, 31 December 2014 and 31 December 2015 pursuant to the pre-IPO share award scheme.

(6) Such 300,000 Shares are held by Ms. Chan Wing Yan, the spouse of Mr. Chan Wai Kin, and accordingly, Mr. Chan Wai Kin was deemed to be interested in such 300,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, so far as was known to the Directors, none of the Directors was also directors or employees of a company which has an interest or short position 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.

DIRECTORS' SERVICE CONTRACTS AND LETTER OF APPOINTMENT

None of the Directors has a service contract which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

On 1 April 2016 (after trading hours), Hong Kong Chuangzhi Development Limited (香港創智發展有限公司) (the "**Seller**"), being an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement with Wealth Zone Hong Kong Investments Limited (富域香港投資有限公司) (the "**Purchaser**"), a company wholly owned by Mr. Wang Zhenhua, a Director and and a controlling shareholder of the Company, and Changzhou Chuangyue Consultancy Co., Ltd* (常州創悦諮詢管理有限公司) (the "**Target Company**"), pursuant to which the Seller has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire equity interest in the Target Company at a total consideration of RMB320 million. Upon completion, Mr. Wang Zhenhua will be interested in the entire equity interests of the Target Company which is principally engaged in the residential property management business in the PRC. Meanwhile, the Group will continue to carry out its commercial property management business in the PRC, which is an integrated part of the

Group's commercial property development business. Due to the clear delineation of businesses and different target customers, the Directors consider that the operations of the Target Company will not affect or be in direct or indirect competition with the Group's businesses and will not constitute a breach of the deed of non-competition dated 15 November 2012 entered into by Mr. Wang Zhenhua in favour of the Company.

DIRECTORS' INTEREST IN CONTRACT AND ASSETS

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and significant in relation to the businesses of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2015, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by, or leased to the Company or any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

EXPERT AND CONSENT

The following are the qualifications of the experts, who have given opinions contained in and referred to in this circular:

Name	Qualification
Gram Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular, with the inclusion thereof and the references to its name and/or its opinions in the form and context in which they are included.

As at the Latest Practicable Date, Gram Capital had no shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Gram Capital had no direct or indirect interest in any assets which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

The letter from Gram Capital was issued on the date of this circular for incorporation herein.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (except Saturdays and public holidays) at Units 7801-03, 78/F, The Centre, 99 Queen's Road Central, Hong Kong for a period of 14 days from the date of this circular:

(a) this circular;

(b) the Scheme;

(c) the letter from the Independent Board Committee as set out in this circular;

(d) the letter from Gram Capital as set out in this circular; and

(e) the written consent of Gram Capital.

新城发展
FUTURE
HOLDINGS

Future Land Development Holdings Limited
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Future Land Development Holdings Limited (the "**Company**") will be held at 10:00 a.m. on Tuesday, 22 November 2016 at Units 7801-03, 78/F, The Center, 99 Queen's Road Central, Hong Kong am or any adjournment thereof, for the purpose of considering and, if thought fit, passing (with or without amendments) the following ordinary resolution of the Company:

"THAT subject to and conditional upon the approval of the shareholders of Future Land Holdings Co., Ltd.* (新城控股集團股份有限公司) ("**Future Land Holdings**") the adoption of the First Phase of the Restricted Share Incentive Scheme (the "**Scheme**") of Future Land Holdings, the terms of which have been tabled at the Meeting marked "A" and signed by the chairman of the Meeting for identification purpose, the approval of the proposed grant of 800,000, 1,500,000 and 1,500,000 restricted shares of Future Land Holdings to Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli, respectively, according to the terms of the restricted share incentive scheme of Future Land Holdings be and is hereby approved."

By order of the Board
Future Land Development Holdings Limited
WANG Zhenhua
Chairman

the PRC, 4 November 2016

Registered office:
Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
KYI-1205
Cayman Islands

Principal place of business in Hong Kong:
36/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay, Hong Kong

Notes:

(i) A shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. On a poll, votes may be given either personally or by proxy.

(ii) In the case of joint holders, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

(iii) In order to be valid, a form of proxy must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

As at the date of this notice, the Directors of the Company are Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman and Mr. Chan Wai Kin as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.