

Disposal of Two Hotels – Transaction Summary

Shanghai Langham Xintiandi Hotel

- **Shanghai Langham Xintiandi Hotel with 357 rooms.** The hotel was opened in 2012.
- The consideration is determined based on the followings:
 1. for the sale and purchase of the MGI Sale Shares*, based on the net asset value of the Langham Xintiandi Hotel business as of 31 August 2014 (to be calculated using **an agreed valuation for the Langham Xintiandi Hotel of RMB1,739 million** and excluding deferred tax and intangible assets and liabilities), adjusted for profits and losses of the Langham Xintiandi Hotel business between 1 September 2014 and completion of the MGI Disposal and multiplied by the Group's interest in Magic Garden as represented by MGI Sale Shares, and
 2. for the assignment and assumption of the rights in the MGIC Shareholders Loan, based on the amount MGI Shareholder Loan currently being RMB466,900,000 at completion of the MGI Disposal on a dollar-for-dollar basis.

Shanghai THE HUB Hotel

- **THE HUB Hotel with 403 rooms.** The hotel is still under development and will be transferred after the Bare Shell Completion ("Completion").
- The consideration is agreed at **RMB965 million.**

Note: MGI Sales Share is two-thirds of the entire issued share capital of Magic Garden Investments Limited, currently held by China Xintiandi Investment Company Limited.



Asset Overview – Shanghai Langham Xintiandi Hotel



Langham Xintiandi Hotel

Location 4/1 Qiu, Jiefang 108, Huaihai Middle Rd, Huangpu District, Shanghai

GFA 53,407 sq.m

No. of Rooms 357

Status

- Opened in 2012
- Currently operated by Langham

Market Value as of 25 August 2014 RMB 1,737Million



Asset Overview – THE HUB Hotel



D17 Hotel , THE HUB

Location 333 Shenhong Road, Minhang District, Shanghai

GFA 46,000 sq.m

No. of Rooms 403

Status

- Project is still under development
- Expected to obtain Title Certificate in Q3 2015

Market Value as of 25 August 2014 RMB 962 Million

Disposal of Two Hotels – Key Objectives and Rationale

- The Group intends to focus on properties development business and CXTD intends to focus on holding of retail and office investment properties;
- Upon completion of the Transactions, the Group will record a net cash inflow of RMB548,000,000, which in turn will reduce the Group's net gearing ratio by approximately 5%;
- The Group's hotel properties generate a lower return than its residential, retail and office properties;
- The Group does not enjoy any synergy from being a hotel owners since the Group does not have a hotel management brand and team to operate hotel properties. The Group has to pay management fees to hotel operators, which lowers the profitability of the Group's hotel properties;
- Great Eagles Holdings owns Langham Hospitality Group, which is an experienced and successful hotel owner and operator. It is knowledgeable and experienced in the development, operation and management of top quality hotels. Having world-class hotels managed by Langham Hospitality Group within the Group's properties will raise the profile of the "Shanghai Xintiandi" Project and "THE HUB", which in turn can post a positive impact on the master-plan of the Group and can enhance the long term value of the Group's properties.