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(incorporated in Hong Kong with limited liability)
(Stock code: 00123)

ANNOUNCEMENT

- (1) PROPOSED RIGHTS ISSUE OF 3,077,015,931 RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$1.25
ON THE BASIS OF
33 RIGHTS SHARES FOR EVERY
100 SHARES HELD ON THE RECORD DATE;
(2) CLOSURE OF REGISTER OF MEMBERS;
AND
(3) RESUMPTION OF TRADING**

Joint Underwriters to the Rights Issue



PROPOSED RIGHTS ISSUE

The Board proposes to raise approximately HK\$3,846.3 million before expenses, by issuing 3,077,015,931 Rights Shares at a Subscription Price of HK\$1.25 per Rights Share by way of the Rights Issue, on the basis of 33 Rights Shares for every 100 Shares held on the Record Date.

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken to take up, or to procure its Subsidiaries or nominees to take up, all its/their entitlement(s) under the Rights Issue being an aggregate of 1,528,284,005 Rights Shares.

On 3 September 2014, the Company entered into the Underwriting Agreement with the Joint Underwriters, pursuant to which, the Joint Underwriters have conditionally agreed to fully underwrite the Underwritten Shares.

The Directors believe that it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity capital through a Rights Issue to finance its future expansion plans. Unlike borrowings or issuance of debt securities, the Directors consider that the Rights Issue would be a preferred means for the Company to raise long-term funds without subjecting itself to interest burden or additional debt. Part of the net proceeds of the Rights Issue shall be applied to strengthen the Company's capital base and provide greater financial flexibility for the Company to fund its future expansion needs, including, but not limited to, the expansion/replenishment of its land reserves to facilitate the enhancement of Shareholders' value, which is in-line with the Company's overall business strategy. It is also intended that part of the net proceeds from the Rights Issue will be used for the Company's general working capital.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 33% of the Company's total number of Shares in issue as at the date of this announcement and will represent approximately 24.81% of the Company's Shares in issue as enlarged by the Rights Issue. The Rights Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares then in issue. Holders of the Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares. **For the avoidance of doubt, the fully-paid Rights Shares will not entitle the holders thereof to the 2014 Interim Dividend.**

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof.

IRREVOCABLE UNDERTAKING

As at the date of this announcement, Yue Xiu legally and beneficially owns 4,631,163,657 Shares, which represents approximately 49.67% of the Company's total number of Shares in issue. Pursuant to the Irrevocable Undertaking, Yue Xiu has provided an irrevocable undertaking to the Company and the Joint Underwriters that, among other things:

- (i) it will, or will procure its Subsidiaries or nominees (including the CCASS participant(s) holding Shares on its/their behalf), as the case may be, will:
 - a. take up in full, at the Subscription Price, its/their entitlement(s) to the Committed Shares;
 - b. by not later than 9:30 a.m. on the fifth Business Day after the Rights Issue is open for acceptance, deliver the PAL(s) in respect of the Committed Shares to the Company or the Registrar (without the same having been split or renounced) accompanied by the remittance for the full amount payable for the Committed Shares in accordance with the terms of the Rights Issue; and

- c. if any additional Rights Shares are provisionally allotted to Yue Xiu (or its Subsidiaries) pursuant to the terms of the Rights Issue in respect of any further Shares acquired by Yue Xiu (or its Subsidiaries) on or before the Record Date in excess of the aggregate of the Committed Shares, take up in full at the Subscription Price its/their entitlement to those additional Rights Shares by, by not later than 9:30 a.m. on the fifth Business Day after the Rights Issue is open for acceptance, delivering the PAL(s) in respect of those additional Rights Shares to the Company or the Registrar (without the same having been split or renounced) accompanied by the remittance for the full amount payable for those additional Rights Shares in accordance with the terms of the Rights Issue; and
- (ii) it will not, and will procure that its Subsidiaries will not:
- a. subscribe or apply for any Rights Shares by way of excess application; or
 - b. acquire any further Shares on or before completion of the Rights Issue if such acquisition would trigger an obligation to make a mandatory general offer under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers.

SHAREHOLDERS' APPROVAL NOT REQUIRED

There is no requirement under the Listing Rules for the Rights Issue to be approved by Shareholders in a general meeting.

WARNING OF THE RISK OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Underwriting Agreement contains provisions granting the Joint Underwriters a right to terminate their obligations under the Underwriting Agreement upon the occurrence of certain events. Please refer to the section headed "UNDERWRITING ARRANGEMENTS - Termination of the Underwriting Agreement". Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Thursday, 18 September 2014 on the Stock Exchange and from Wednesday, 17 September 2014 on the SGX-ST and dealings in the Rights Shares in their nil-paid form are expected to take place on the Stock Exchange from Tuesday, 30 September 2014 to Thursday, 9 October 2014 (both days inclusive) and the SGX-ST from Tuesday, 30 September 2014 to Wednesday, 1 October 2014 (both days inclusive).

Shareholders should also note that dealing in Shares or the nil-paid Rights Shares will take place while the conditions to which the Rights Issue is subject remain unfulfilled. Any Shareholder or other person dealing in Shares or the nil-paid Rights Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be 5:00 p.m. on Monday, 20 October 2014), will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares or the nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

TRADING ARRANGEMENTS

The last day of dealings in the Shares on a cum-rights basis is Wednesday, 17 September 2014 on the Stock Exchange and Tuesday, 16 September 2014 on the SGX-ST. The Shares will be dealt with on an ex-rights basis from Thursday, 18 September 2014 on the Stock Exchange and from Wednesday, 17 September 2014 on the SGX-ST. The Rights Shares are expected to be dealt with in their nil-paid form on the Stock Exchange from Tuesday, 30 September 2014 to Thursday, 9 October 2014 (both days inclusive) and on the SGX-ST from Tuesday, 30 September 2014 to Wednesday, 1 October 2014.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company on the Register of Members; and
- (ii) not be a Non-Qualifying Shareholder.

In order to qualify for the Rights Issue, all transfers must be lodged with:

- (i) the Company's share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Friday, 19 September 2014 (Hong Kong time) (in the case of Qualifying Shareholders); or

(ii) Yuexiu Property Company Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive #01-19/20, The Metropolis, Singapore 138588, by no later than 5:00 p.m. on Friday, 19 September 2014 (Singapore time) (in the case of Qualifying CDP Depositors).

The Register of Members will be closed from Monday, 22 September 2014 to Thursday, 25 September 2014 (both days inclusive), to determine the eligibility of the Shareholders to participate in the Rights Issue. No transfer of Shares will be registered during this period.

The Latest Acceptance Date for the Rights Shares and excess Rights Shares traded on the Stock Exchange is expected to be on Tuesday, 14 October 2014. The Latest Acceptance Date for the Rights Shares and excess Rights Shares traded on the SGX-ST is expected to be on Wednesday, 8 October 2014. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. As the Company is primarily listed on the Stock Exchange with a secondary listing on the SGX-ST, the Company is required under the SGX-ST Listing Manual to inform the SGX-ST of the proposed Rights Issue and the decision of the Stock Exchange. If the approval of the Stock Exchange has been obtained, it is expected that the SGX-ST will list the Rights Shares in both their nil-paid and fully-paid forms at the same time they are listed on the Stock Exchange. For details of the trading arrangements, please refer to the section headed "EXPECTED TIMETABLE" below.

GENERAL

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched to the Qualifying Shareholders on the Prospectus Date, subject to the certain conditions precedent of the Rights Issue being satisfied. On the same date, the PALs and EAFs will be sent to the Qualifying Shareholders and the AREs and ARSs will be sent to the Qualifying CDP Depositors. The Company may, to the extent legally permissible and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders and Non-Qualifying CDP Depositors for their information only but will not send the PALs, EAFs, AREs or ARSs to them. Copy of the Prospectus will be made available on the websites of the Company, Stock Exchange and SGX-ST.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Wednesday, 3 September 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 4 September 2014.

PROPOSED RIGHTS ISSUE

Issue Statistics

Basis of the Rights Issue	:	33 Rights Shares for every 100 existing Shares held on the Record Date. No Rights Share will be offered to the Non-Qualifying Shareholders, and no fractional entitlement will be provisionally allotted or issued under the Rights Issue
Subscription Price	:	HK\$1.25 per Rights Share payable in full upon acceptance
Number of existing Shares in issue as at the date of this announcement	:	9,324,290,700 Shares
Number of Rights Shares	:	3,077,015,931 Rights Shares
Number of Rights Shares undertaken to be subscribed by Yue Xiu	:	Pursuant to the Irrevocable Undertaking, Yue Xiu has irrevocably undertaken that it will, or will procure its Subsidiaries or nominees (including the CCASS participant(s) holding Shares on its/their behalf), as the case may be, will take up in full, at the Subscription Price, its/their entitlements to the Committed Shares, being an aggregate of 1,528,284,005 Rights Shares
Latest time for acceptance	:	(i) in the case of Rights Shares traded on the Stock Exchange, 4:00 p.m. on Tuesday, 14 October 2014; and (ii) in the case of Rights Shares traded on the SGX-ST, 5:00 p.m. (Singapore time) on Wednesday, 8 October 2014 (Singapore time)
Amount to be raised by the Rights Issue before expenses	:	approximately HK\$3,846.3 million
Joint Underwriters	:	DBS Asia Capital Limited and BOCI Asia Limited

Assuming no new Shares are issued (other than the Rights Shares) and no repurchase of Shares on or before the Record Date, the 3,077,015,931 Rights Shares represent approximately 33% of the Company's total number of Shares in issue as at the date of this announcement and will represent approximately 24.81% of the Company's total number of Shares in issue immediately upon completion of the Rights Issue.

As at the date of this announcement, the Company had no outstanding derivatives, options, warrants or conversion rights or other similar rights which are convertible or exchangeable into Shares.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must, as at 5:00 p.m. on the Record Date:

- (i) be registered as a member of the Company on the Register of Members; and
- (ii) not be a Non-Qualifying Shareholder.

In order to qualify for the Rights Issue, all transfers must be lodged with:

- (i) the Company's share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Friday, 19 September 2014 (Hong Kong time) (in the case of Qualifying Shareholders); or
- (ii) Yuexiu Property Company Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive #01-19/20, The Metropolis, Singapore 138588, by no later than 5:00 p.m. on Friday, 19 September 2014 (Singapore time) (in the case of Qualifying CDP Depositors).

Qualifying CDP Depositors should each receive a letter from the CDP setting out, amongst other things, the procedures for acceptance and payment, together with the Prospectus, the relevant application form for the acceptance for Rights Shares and the form of application for excess Rights Shares.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Non-Qualifying Shareholders

Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Board will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders. If, after making such enquiries, the Company is of the opinion that it would be necessary or expedient, on account of either the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to any of the Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Non-Qualifying Shareholders and no Rights Shares will be provisionally allotted to them. The Company may, to the extent legally permissible and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for their information only on the Prospectus Date but will not send any of the PALs, EAFs, AREs or ARSs to them.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Prospectus Documents will not be lodged with or registered as a prospectus in Singapore under the SFA. The Rights Issue and the offer of the Rights Shares is made in reliance on the offering exemption under Section 273(1)(cd) of the SFA. The Prospectus Documents may not be circulated or distributed, nor may the Rights Shares be offered or sold, directly or indirectly, to any person in Singapore, other than to a Qualifying CDP Depositor or a Singapore Renouncee pursuant to Section 273(1)(cd) of the SFA or otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence but before the last date for dealings in nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses and stamp duty, of more than HK\$100 will be paid by the Company to the relevant Non-Qualifying Shareholder(s) pro rata to their shareholdings in the Company at 5:00 p.m. on the Record Date in Hong Kong dollars. The Company will retain

individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlements of the Non-Qualifying Shareholders will be made available for excess applications on EAFs by the Qualifying Shareholders and/or AREs by the Qualifying CDP Depositors.

Overseas Shareholders and beneficial owners of the Shares and who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, such Overseas Shareholders and beneficial owners of the Shares should exercise caution when dealing in the Shares.

Subscription Price

The Subscription Price (i.e., HK\$1.25 per Rights Share) is payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or, where applicable, application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (i) a discount of approximately 25.15% to the closing price of HK\$1.67 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 25.15% to the average of the closing prices of approximately HK\$1.67 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;
- (iii) a discount of approximately 26.47% to the average of the closing prices of approximately HK\$1.70 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date; and

(iv) a discount of approximately 20.38% to the theoretical ex-rights price of approximately HK\$1.57 per Share based on the closing price of HK\$1.67 as quoted on the Stock Exchange on the Last Trading Date.

Each Rights Share has no par value.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Joint Underwriters after taking into account, among other things, the recent price performance of the Shares prior to the release of this announcement.

The Board considers the Subscription Price to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

33 Rights Shares (in nil-paid form) for every 100 existing Shares held by the Qualifying Shareholders as at 5:00 p.m. on the Record Date. Application for all or any part of a Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for.

Closure of Register of Members

The Register of Members will be closed from Monday, 22 September 2014 to Thursday, 25 September 2014 (both days inclusive), to determine the eligibility of the Shareholders to participate in the Rights Issue. No transfer of Shares will be registered during this period.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid and issued) will rank *pari passu* in all respects with the Shares then in issue. Holders of the Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares. **For the avoidance of doubt, the fully-paid Rights Shares will not entitle the holders thereof to the 2014 Interim Dividend.**

Fractions of Rights Shares

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares. No odd lot matching services will be provided. All fractions of the Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to BOCI Securities Limited, and will be sold

in the market and the proceeds will be retained by Company for its own benefit, if a premium (net of expenses) can be obtained. Any unsold Rights Shares arising from such aggregation will be made available for excess application by the Qualifying Shareholders.

Certificates of the Rights Shares and Refund Cheques

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or before Wednesday, 22 October 2014 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be sent by ordinary post on or before Wednesday, 22 October 2014 to the applicants at their own risk.

Application for excess Rights Shares

The Qualifying Shareholders shall be entitled to apply for:

- (i) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been the Qualifying Shareholders;
- (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares; and
- (iii) any unsold Rights Shares created by aggregating fractions of the Rights Shares.

Application may be made by the Qualifying Shareholders by completing an EAF or by the Qualifying CDP Depositors by completing an ARE (in each case in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar or CDP, as the case may be, by 4:00 p.m. on Tuesday, 14 October 2014 (for Qualifying Shareholders) and 5:00 p.m. on Wednesday, 8 October 2014 (for Qualifying CDP Depositors) or such later time as may be agreed between the Company and the Joint Underwriters. Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company,

in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction.

The Board will, upon consultation with the Joint Underwriters, allocate the excess Rights Shares being applied for at its discretion and on a fair and equitable basis and on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings; and
- (ii) subject to the availability of excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess Rights Shares on a pro rata basis based on the excess Rights Shares applied by them.

In applying principles (i) and (ii) above, reference will only be made to the number of excess Rights Shares applied for.

Investors whose Shares are held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the Register of Members. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement regarding allocation of excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the relevant Shares to be registered in their own names prior to the Record Date.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. As the Company is primarily listed on the Stock Exchange with a secondary listing on the SGX-ST, the Company is required under the SGX-ST Listing Manual to inform the SGX-ST of the proposed Rights Issue and the decision of the Stock Exchange. If the approval of the Stock Exchange has been obtained, it is expected that the SGX-ST will list the Rights Shares, in both their nil-paid and fully paid forms, at the same time they are listed on the Stock Exchange.

Dealings in the Rights Shares will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fee, SFC transaction levy and their applicable fees and cheques. Both nil-paid Rights Shares and fully-paid Rights Shares will be traded on the Stock Exchange and the SGX-ST in board lots of 2,000 Shares.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Subject to compliance with the stock admission requirements of the SGX-ST, the Rights Shares, in both their nil-paid and fully-paid forms will be accepted as eligible securities by CDP for deposit, clearance and settlement in CDP with effect from the commencement date of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the SGX-ST or such other date as determined by SGX-ST. In accordance with the bye-laws of the SGX-ST relating to settlement of dealings on the SGX-ST, it is mandatory for dealings on the SGX-ST to be effected through CDP on a scripless basis. The settlement will take place on the third Market Day following the date of transaction (“**Due Date**”) or in the event that the Due Date falls on a public holiday in Singapore, the settlement will take place on the next Market Day immediately after the Due Date. Hence, Shareholders who wish to effect any transfers of their Shares on the SGX-ST should process their requests at least 3 Market Days in advance. All dealings in and transactions (including transfers) of the Rights Shares, in both their nil-paid and fully-paid forms executed on the SGX-ST will be cleared and settled under the electronic book entry clearance and settlement system of CDP, and effected in accordance with the “Terms and conditions for operation of securities account with The Central Depository (Pte) Limited” and the “Terms and conditions for CDP to act as depository for the rights shares”, as the same may be amended from time to time. Copies of these are available from CDP.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof.

UNDERWRITING ARRANGEMENTS

Underwriting Agreement dated 3 September 2014

Joint Underwriters	:	DBS Asia Capital Limited BOCI Asia Limited
Number of Rights Shares being underwritten by the Joint Underwriters	:	Pursuant to the Underwriting Agreement, the Joint Underwriters have conditionally agreed to fully underwrite the Underwritten Shares
Commission	:	(i) an underwriting commission of 2.0% of the aggregate Subscription Price of the Underwritten Shares; and (ii) at the sole discretion of the Company, a discretionary incentive of 0.25% of the aggregate Subscription Price of the Underwritten Shares

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Joint Underwriters and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

The Directors consider that the Underwriting Agreement is (i) on normal commercial terms; and (ii) fair and reasonable so far as the Shareholders are concerned.

Irrevocable Undertaking

As at the date of this announcement, Yue Xiu legally and beneficially owns 4,631,163,657 Shares, which represents approximately 49.67% of the Company's total number of Shares in issue. Pursuant to the Irrevocable Undertaking, Yue Xiu has provided an irrevocable undertaking to the Company and the Joint Underwriters that, among other things:

- (i) it will, or will procure its Subsidiaries or nominees (including the CCASS participant(s) holding Shares on its/their behalf), as the case may be, will:
 - a. take up in full, at the Subscription Price, its/their entitlement(s) to the Committed Shares;
 - b. by not later than 9:30 a.m. on the fifth Business Day after the Rights Issue is open for acceptance, deliver the PAL(s) in respect of the Committed Shares to the Company or the Registrar (without the same having been split or renounced) accompanied by the remittance for the full amount payable for the Committed Shares in accordance with the terms of the Rights Issue; and
 - c. if any additional Rights Shares are provisionally allotted to Yue Xiu (or its Subsidiaries) pursuant to the terms of the Rights Issue in respect of any further Shares acquired by Yue Xiu (or its Subsidiaries) on or before the Record Date in excess of the aggregate of the Committed Shares, take up in full at the Subscription Price its/their entitlement to those additional Rights Shares by, by not later than 9:30 a.m. on the fifth Business Day after the Rights Issue is open for acceptance, delivering the PAL(s) in respect of those additional Rights Shares to the Company or the Registrar (without the same having been split or renounced) accompanied by the remittance for the full amount payable for those additional Rights Shares in accordance with the terms of the Rights Issue; and
- (ii) it will not, and will procure that its Subsidiaries will not:
 - a. subscribe or apply for any Rights Shares by way of excess application; or
 - b. acquire any further Shares on or before completion of the Rights Issue if such acquisition would trigger an obligation to make a mandatory general offer under Rule 26.1 of the Hong Kong Code on Takeovers and Mergers.

Conditions of the Joint Underwriters' Obligations

The obligations of the Joint Underwriters under the Underwriting Agreement are conditional upon:

- (i) Listing (subject only to allotment and despatch of the appropriate documents of title) occurring by no later than the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms respectively), and such permission not being withdrawn or amended prior to the Latest Time for Termination;

- (ii) the Stock Exchange issuing a certificate authorising registration of the Prospectus with the Hong Kong Companies Registry under section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Business Day prior to the Prospectus Date (or such later time and/or date as the Company and the Joint Underwriters may agree in writing) and, following registration of the Prospectus as referred to in paragraph (iii), a copy of the Prospectus having been submitted to the Stock Exchange for publication on its website not later than the Prospectus Date (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (iii) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than the Business Day prior to the Prospectus Date (or such later time and/or date as the Company and the Joint Underwriters may agree in writing), and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than the Business Day prior to the Prospectus Date (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (iv) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS and the Central Depository System having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms respectively) and no notification having been received by the Company from HKSCC, SGX-ST or CDP by such time that such admission or facility for holding and settlement has been or is to be refused;
- (v) the representations, warranties or undertakings of the Company referred to in the Underwriting Agreement being true and accurate and not misleading in any respect on and as of the date of the Underwriting Agreement and at any time before the Latest Time for Termination, as though they had been given and made at such time by reference to the facts and circumstances then subsisting;
- (vi) compliance by the Company with the following obligations under the Underwriting Agreement:
 - (a) to publish this announcement in accordance with the timing set out in the Underwriting Agreement;

- (b) to provisionally allot the Rights Shares in accordance with the timing set out in the Underwriting Agreement;
 - (c) to despatch the Prospectus Documents (other than the AREs and the ARSs) to the Qualifying Shareholders in accordance with the timing set out in the Underwriting Agreement;
 - (d) to deliver to the Joint Underwriters certain required documents set out in the Underwriting Agreement in accordance with the timing set out therein;
 - (e) to deliver to the Underwriters at the Time of Sale a certificate duly signed by an authorised representative of the Board, dated as of the date on which the Time of Sale occurs; and
 - (f) all of its other obligations under the Underwriting Agreement in all material respects;
- (vii) compliance by Yue Xiu with its obligations under the Irrevocable Undertaking; and
- (viii) clearance of the timetable for the Rights Issue by the Stock Exchange and the SGX-ST.

The Joint Underwriters may at any time in writing waive any of the above conditions (except paragraphs (i), (ii), (iii) and (iv)) or extend the time or date for fulfilment of any of the conditions (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by the Joint Underwriters.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Underwriting Agreement has not become unconditional in accordance with its terms, the Rights Issue will not proceed.

Lock-up

The Company undertakes to the Joint Underwriters that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days after the date of commencing of dealing in Rights Shares in fully-paid form on the Stock Exchange and SGX-ST, the Company shall not (except for the Rights Shares):

- (i) undertake any consolidation or subdivision of its share capital, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either

conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;

(ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraph (i); or

(iii) announce any intention to enter into or effect any such transaction described in paragraphs (ii) or (iii),

unless with the prior written consent of the Joint Underwriters; provided that the above restrictions shall not cease to apply if the Underwriting Agreement (i) does not become unconditional and is terminated; or (ii) is terminated by the Joint Underwriters pursuant to the termination events set out in the section headed “UNDERWRITING ARRANGEMENTS - Termination of the Underwriting Agreement”.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Joint Underwriters, acting jointly, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Joint Underwriters, acting jointly, may by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement if at any time prior to the Latest Time for Termination:

(i) any matter or circumstance arises as a result of which any of the conditions set out in the section headed “UNDERWRITING ARRANGEMENTS - Conditions of the Joint Underwriters’ Obligations” has become incapable of satisfaction as at the required time;

(ii) the fact that any of the representations, warranties or undertakings given by the Company is untrue, inaccurate, misleading in any respect comes to the knowledge of the Joint Underwriters, or there has been a breach on the part of the Company of any other provision of the Underwriting Agreement or a breach on the part of Yue Xiu of the Irrevocable Undertaking, or the Joint Underwriters have cause to believe that any such breach has occurred;

- (iii) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given by the Company would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in any respect;
- (iv) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil paid and fully paid) and permission to deal in the Rights Shares (nil paid and fully paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (v) the SGX-ST indicates that it will not grant permission for the listing of the New Shares (nil paid and fully paid) on the SGX-ST;
- (vi) any condition to enable the nil-paid Rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS and the Central Depository System is not satisfied or notification is received by the Company from HKSCC or CDP that such admission or facility for holding and settlement has been or is to be refused; or
- (vii) (a) any statement contained in this announcement or any of the Prospectus Documents has become or been discovered to be untrue, inaccurate, incomplete or misleading in any respect;
- (b) any matter arises or is discovered which would, if the announcement or any of the Prospectus Documents was to be issued at the time, constitute an omission therefrom;
- (c) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement;
- (d) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group;
- (e) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable): (aa) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (bb) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange, the SGX-ST and/or any other stock exchange on which the Company's securities are traded for more than two Business Days (other than pending publication

of announcing the Rights Issue or any other announcement relating to the Rights Issue); (cc) a general moratorium on commercial banking activities in the United States, Hong Kong, Macau and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, Macau or the United Kingdom; or (dd) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof;

- (f) there shall have occurred any event or series of events (including without limitation the occurrence of any local, national or international outbreak or escalation of disaster, riot, public disorder, civil commotion, fire, flood, explosion, outbreak of an infectious disease, calamity, crisis, strike, lock-out, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic); or
- (g) the Company is required to publish a supplementary prospectus in accordance with Rule 11.13 of the Listing Rules or otherwise,

which, in the sole opinion of the Joint Underwriters:

- (i) is or will be, or is likely to be, materially adverse to the general affairs, management, business, financial, trading or other condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;
- (ii) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (iii) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the announcement and the Prospectus Documents.

In the event the Joint Underwriters exercise the right to terminate the Underwriting Agreement upon the giving of written notice of termination prior to the Latest Time for Termination, all the obligations of the parties under the Underwriting Agreement shall cease and terminate immediately and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach).

If the Joint Underwriters exercise such right, the Rights Issue will not proceed.

WARNING OF THE RISK OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Joint Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares or the nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their own professional advisers.

Shareholders should note that the Shares will be dealt in on an ex-rights basis commencing from Thursday, 18 September 2014 on the Stock Exchange and from Wednesday, 17 September 2014 on the SGX-ST. Dealings in the Rights Shares in their nil-paid form are expected to take place on the Stock Exchange from Tuesday, 30 September 2014 to Thursday, 9 October 2014 (both days inclusive) and on the SGX-ST from Tuesday, 30 September 2014 to Wednesday, 1 October 2014 (both days inclusive). Shareholders should also note that dealing in Shares or the nil-paid Rights Shares will take place while the conditions to which the Rights Issue is subject remain unfulfilled. Any Shareholder or other person dealing in Shares or the nil-paid Rights Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be 5:00 p.m. on Monday, 20 October 2014), will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares or the nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

EXPECTED TIMETABLE

2014

Announcement Wednesday, 3 September

Last day of dealings in Shares on the SGX-ST
on cum-rights basis Tuesday, 16 September

Last day of dealings in Shares on the
Stock Exchange on cum-rights basis Wednesday, 17 September

First day of dealing in Shares on the SGX-ST on an ex-rights basis.....	Wednesday, 17 September
First day of dealing in Shares on the Stock Exchange on an ex-rights basis	Thursday, 18 September
Latest time for lodging transfers of Shares with the Company's share registrar in Hong Kong in order to qualify for the 2014 Interim Dividend and the Rights Issue	4:30 p.m. on Friday, 19 September
Latest time for lodging transfers of Shares with CDP in Singapore in order to qualify for the 2014 Interim Dividend and the Rights Issue.....	5:00 p.m. on Friday, 19 September (Singapore time)
Closure of Register of Members for determining entitlements to the 2014 Interim Dividend and the entitlements under the Rights Issue (both days inclusive).....	Monday, 22 September to Thursday, 25 September
Record Date.....	Thursday, 25 September
Re-opening of the Register of Members	Friday, 26 September
Despatch of the Prospectus Documents	Friday, 26 September
First day for dealings in nil-paid Rights Shares on the Stock Exchange and the SGX-ST	Tuesday, 30 September
Last day for dealing in nil-paid Rights Shares on the SGX-ST	Wednesday, 1 October
Latest time for splitting of nil-paid Rights Shares traded on the Stock Exchange	4:30 p.m. on Monday, 6 October
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares traded on the SGX-ST	5:00 p.m. on Wednesday, 8 October (Singapore time)

Last day for dealings in nil-paid Rights Shares on the Stock Exchange	Thursday, 9 October
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares traded on the Stock Exchange	4:00 p.m. on Tuesday, 14 October
Latest time for the termination of the Underwriting Agreement, and expected time for the Rights Issue to become unconditional	5:00 p.m. on Monday, 20 October
Announcement of results of the Rights Issue	Tuesday, 21 October
Despatch of certificates for the Rights Shares on or before	Wednesday, 22 October
Despatch of refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares traded on the Stock Exchange and the SGX-ST to be posted on or before.....	Wednesday, 22 October
Commencement of dealings in fully-paid Rights Shares on the Stock Exchange	Thursday, 23 October
Commencement of dealings in fully-paid Rights Shares on the SGX-ST	Monday, 27 October

Note: All references to time in this announcement are references to Hong Kong time unless otherwise stated.

Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this announcement, are indicative only and may be varied by agreement between the Company and the Joint Underwriters. In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any changes to the anticipated timetable for the Rights Issue will be announced as appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a ‘black’ rainstorm warning. If such circumstance is:

- i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date for the Rights Shares traded on the Stock Exchange. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date for the Rights Shares traded on the Stock Exchange. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Acceptance Date for the Rights Shares traded on the Stock Exchange, the dates mentioned in the “EXPECTED TIMETABLE” section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company arising from the Rights Issue (assuming there is no change in the shareholding structure of the Company from the date of this announcement to completion of the Rights Issue and that there are no Non-Qualifying Shareholders) are as follows:

	Shareholding as at the date of this announcement		Shareholding immediately following completion of the Rights Issue (assuming all Qualifying Shareholders take up their entitlements under the Rights Issue)		Shareholding immediately following completion of the Rights Issue (assuming no Qualifying Shareholders, other than Yue Xiu, take up their entitlements under the Rights Issue)	
	Shares	Approximate %	Shares	Approximate %	Shares	Approximate %
Yue Xiu (Note 1, 2)	4,631,163,657	49.67	6,159,447,662	49.67	6,159,447,662	49.67
Mr. Lee Ka Lun (Note 3)	4,200,000	0.045	5,586,000	0.045	4,200,000	0.034
Mr. Lau Hon Chuen Ambrose (Note 4)	3,640,000	0.039	4,841,200	0.039	3,640,000	0.029
Mr. Chen Zhihong (Note 5)	574,961	0.006	764,698	0.006	574,961	0.005
Mr. Li Feng (Note 6)	130,000	0.001	172,900	0.001	130,000	0.001
Sub-total	4,639,708,618	49.76	6,170,812,460	49.76	6,167,992,623	49.74
Public Shareholders	4,684,582,082	50.24	6,230,494,171	50.24	4,684,582,082	37.77
Joint Underwriters	—	—	—	—	1,548,731,926	12.49
Total	9,324,290,700	100.00	12,401,306,631	100.00	12,401,306,631	100.00

Notes:

- (1) 100% of the issued share capital of Yue Xiu is owned by 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited), a limited liability company incorporated in the PRC which in turn is beneficially wholly-owned by the Guangzhou Municipal People's Government of the PRC.
- (2) Shareholding in the Company is held, directly and indirectly, by Yue Xiu through its various wholly-owned subsidiaries.
- (3) Mr. Lee Ka Lun is an independent non-executive Director.
- (4) Mr. Lau Hon Chuen Ambrose is an independent non-executive Director.
- (5) Mr. Chen Zhihong is an executive Director.
- (6) Mr. Li Feng is an executive Director.
- (7) The entitlement of each Shareholder named in the tables above is rounded down to the nearest whole number.

- (8) The Shares have been listed on the Main Board of the Stock Exchange and have a secondary listing on the SGX-ST. The shareholding structure tables above cover all the issued Shares which are traded on both the Stock Exchange and the SGX-ST.

REASONS FOR THE RIGHTS ISSUE AND PROPOSED USE OF PROCEEDS

The Company and its subsidiaries are principally engaged in development, selling and management of properties and holding of investment properties. The Group's operations are primarily conducted in the PRC and Hong Kong.

Provide greater financial flexibility to fund future expansion needs

As mentioned in the Announcement of 2014 Interim Results dated 27 August 2014, the Company managed to deliver strong and stable results over a period of time when the domestic property market has experienced a slowdown, which is a healthy adjustment to an overheated market that started several years ago. Since the Company stepped into the second half of 2014, it is evident that some signs of stabilization are beginning to take place, setting the stage for a gradual recovery of the PRC property market. Starting from the beginning of July 2014, some local governments have implemented measures to relax home purchasing restrictions and have steered the property market back to a “market-oriented” model, helping to stabilize the domestic real estate industry. Furthermore, in view of the PRC achieving its targeted GDP growth of 7.4%, the trend of modernisation and urbanization in key cities and provinces in the PRC, the Group's management has a strong positive view on the PRC property market in the medium and long term.

The purpose of this financing is following the strategic orientation of “return to Tier 1 and Tier 2” and under the strategic deployment of the Company's “Home Base in Guangzhou and Strategic Expansion Nationwide”, which enable the Company to seize investment opportunities that it expects may arise in the second half of 2014 or early 2015, particularly those investment opportunities arising in Guangzhou and the Pearl River Delta region where the Company's strength lies. Armed with the strengthened capital base, the Company intends to capture and closely monitor market opportunities to supplement its landbank through onshore and/or offshore acquisitions or mergers and acquisitions for refilling its landbank and realizing scale expansion, ensuring that the Company can strike a balance between maintaining its investment grade ratings by the rating agencies and long term sustainable development thereby creating greater returns for its Shareholders.

The Directors believe that it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity capital through a Rights Issue to finance its future expansion plans. Unlike borrowings or issuance of debt securities, the Directors consider that the Rights Issue would be a preferred means for the Company to raise long-term funds without subjecting itself to interest burden or additional debt. The Rights Issue will enable all Shareholders to participate in and benefit from the future development of the Company. Given the current macroeconomic environment and the developing trends of recovery of the property markets, the Directors are confident that such opportunities will be available in the market in the near future. The net proceeds of the Rights Issue shall be applied to strengthen the Company's capital base and provide greater financial flexibility for the Company to fund its future expansion needs, including, but not limited to the expansion/replenishment of its land reserves to facilitate the enhancement of Shareholders' value, which is in-line with the Company's overall business strategy. It is intended that part of the net proceeds from the Rights Issue will be used in this respect.

The Company's parent company, Yue Xiu, which has strong financial strength, has given its full support on the Company's future development prospects by entering into an irrevocable undertaking to take up, or to procure its Subsidiaries to take up, all its/their entitlements under the Rights Issue at a total consideration of approximately HK\$1.91 billion.

Further strengthen the Group's healthy financial position

During the first six months in 2014, under the tightening of liquidity in the macroeconomic environment, the Group actively implemented loan arrangements to rationalize resource allocation and proactively optimized the debt structure, which helped the balance sheet remain liquid and healthy. In the first half of 2014, the funding amount of RMB8.6 billion was realized. As of 30 June 2014, the ratio between onshore and offshore borrowings of the Group was 45%:55%. By a mix of funding channels, the average funding cost in the first half year was 5.2%, a decrease of 0.4 percentage points compared with 5.6% for the year 2013. As of 30 June 2014, the net gearing ratio of the Group was 62.7%, increased by 1.1 percentage points compared with the end of 2013, which has still at a healthy level. Moody's and Fitch maintained the Group's investment grade rating of "Baa3/stable" and "BBB-/stable" respectively. The Group's current ratio (current assets over current liabilities) was 2.2 times. Cash and cash equivalents amounted to approximately RMB7,612 million. Charged bank deposits amounted to approximately RMB2,141 million. Undrawn committed bank facilities amounted to approximately RMB5,725 million. Overall, the Group's financial position was healthy and solid. The net proceeds raised from

the Rights Issue is expected to further improve the Company's net gearing ratio, cash position and availability of working capital, which will further solidify the Company's already healthy financial position, setting stage for its future expansion.

The expenses in relation to the Rights Issue (including financial, legal advisory and other professional expenses) are estimated to be approximately HK\$60 million and will be borne by the Company. The estimated net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$1.23.

It is also intended that part of the net proceeds from the Rights Issue will be used for the Company's general working capital.

PREVIOUS EQUITY FUND RAISING EXERCISES OF THE COMPANY

The Company has not conducted any equity fund raising exercises in connection with any issue of equity securities in the past 12 months immediately preceding the date of this announcement.

SHAREHOLDERS' APPROVAL NOT REQUIRED

There is no requirement under the Listing Rules for the Rights Issue to be approved by Shareholders in a general meeting.

GENERAL

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders. On the same date the PALs and EAFs will be sent to the Qualifying Shareholders and the AREs and ARFs will be sent to the Qualifying CDP Depositors. The Company may, to the extent legally permissible and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for their information only on the Prospectus Date but will not send the PALs, EAFs, AREs or ARSs to them.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Wednesday, 3 September 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 4 September 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2014 Interim Dividend”	the proposed interim dividend of HK\$0.049 per Share for 2014 as announced by the Company in its “Announcement of 2014 Interim Results” dated 27 August 2014
“ARE(s)”	application form(s) for Rights Shares and excess Rights Shares to be issued to Qualifying CDP Depositors
“ARS(s)”	application form(s) for Rights Shares issued to Singapore Renounees
“Board”	the board of the Directors
“BOCI”	BOCI Asia Limited (中銀國際亞洲有限公司), a licensed corporation under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
“Business Day”	any day (other than a Saturday or Sunday, or a day on which a tropical cyclone warning signal numbered 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which licensed banks in Hong Kong are open for business and the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CDP”	The Central Depository (Pte) Limited, which operates the Central Depository System for the holding and transfer of book-entry securities traded on the SGX-ST
“CDP Depositors”	persons with Shares entered against their respective names on the CDP Register
“CDP Register”	the depository register of CDP Depositors maintained by CDP

“Central Depository System”	the Central Depository System for the holding and transfer of book-entry securities traded on the SGX-ST
“Committed Shares”	the 1,528,284,005 Rights Shares which Yue Xiu has irrevocably undertaken to take up, or to procure its Subsidiaries or nominees to take up, pursuant to the Rights Issue
“Company”	Yuexiu Property Company Limited (越秀地產股份有限公司), a company incorporated in Hong Kong with limited liability, with a primary listing on the Main Board of the Stock Exchange and a secondary listing on the Main Board of the SGX-ST
“connected person”	has the meaning ascribed thereto in the Listing Rules
“DBS”	DBS Asia Capital Limited (星展亞洲融資有限公司), a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
“Directors”	the directors of the Company from time to time
“EAF(s)”	the form of application for excess Rights Shares to be issued to the Qualifying Shareholders whose Shares are traded on the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Irrevocable Undertaking”	an irrevocable undertaking given by Yue Xiu in favour of the Company and the Joint Underwriters dated 3 September 2014
“Joint Underwriters”	DBS and BOCI
“Last Trading Date”	2 September 2014, being the last trading date of the Shares prior to the release of this announcement

“Latest Acceptance Date”	the last date for acceptance of and payment for the Rights Shares and excess Rights Shares, or such later date as the Company and the Underwriters may agree in writing
“Latest time for acceptance”	(i) in the case of Rights Shares traded on the Stock Exchange, 4:00 p.m. on Tuesday, 14 October 2014; and (ii) in the case of Rights Shares traded on the SGX-ST, 5:00 p.m. (Singapore time) on Wednesday, 8 October 2014 (Singapore time)
“Latest Time for Termination”	5:00 p.m. on 20 October 2014, or such later time and date as may be agreed in writing between the Company and the Joint Underwriters, being the latest time and date on which the Joint Underwriters may terminate the Underwriting Agreement
“Listing”	means the grant of permission for the listing of the Rights Shares (both in nil-paid and fully-paid forms) and permission to deal in the Rights Shares (both in nil-paid and fully-paid forms) on the Main Board of the Stock Exchange and listing of the Rights Shares (both in nil-paid and fully-paid forms) on the SGX-ST
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Market Day”	a day on which the SGX-ST is open for trading in securities
“Non-Qualifying CDP Depositor”	CDP Depositors, whose addresses as shown on the CDP Register as at the close of business on the Record Date which are outside Singapore whom the Board, based on legal opinions provided by its legal advisers, considers it necessary or expedient to exclude from the Rights Issue on account of either the legal restrictions under the respective laws of the jurisdiction of the addresses of the CDP Depositors or the requirements of the relevant regulatory bodies or stock exchanges in such places

“Non-Qualifying Shareholder(s)”	those Overseas Shareholders to whom the Directors, after making relevant enquiries, consider it necessary or expedient to exclude from the Rights Issue on account of either the legal restrictions under the respective laws of the jurisdiction of the addresses of such Overseas Shareholder or the requirements of the relevant regulatory body or stock exchange in such places
“Overseas Shareholders”	those Shareholders whose addresses, as shown on the Register of Members as at the close of business on the Record Date, are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) in respect of the Rights Shares to be issued to the Qualifying Shareholders whose Shares are traded on the Stock Exchange
“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this announcement only and unless the content otherwise requires, Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be issued by the Company for despatch to the Qualifying Shareholders in connection with the Rights Issue, and for information purposes only to the Non-Qualifying Shareholders and shall include any supplementary prospectus required to be published (as the context permits)
“Prospectus Date”	the date of issue of the Prospectus
“Prospectus Documents”	the Prospectus, the PAL(s), the EAF(s), the ARE(s) and the ARS(s)
“Qualifying CDP Depositor”	CDP Depositors on the CDP Register as at the close of business on the Record Date who are not Non-Qualifying CDP Depositors
“Qualifying Shareholders”	the Shareholders on the Register of Members as at the close of business on the Record Date who are not Non-Qualifying Shareholders

“Record Date”	25 September 2014, being the record date to determine entitlements to the Rights Issue (or such other date as the Company and the Joint Underwriters may agree for determining entitlements to the Rights Shares)
“Register of Members”	the register of Shareholders of the Company in Hong Kong maintained by the Registrar
“Registrar”	Tricor Abacus Limited, the Company’s Hong Kong share registrar, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights to Qualifying Shareholders at the Subscription Price on the terms and subject to the conditions to be set out in the Prospectus Documents and summarised in this announcement
“Rights Share(s)”	new Shares to be allotted and issued under the Rights Issue in the proportion of 33 Rights Shares for every 100 existing Shares held at 5:00 p.m. on the Record Date (rounded down to the nearest one share)
“SFA”	the Securities and Futures Act, Chapter 289 of Singapore
“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of the Company
“Shareholders”	holders of Shares
“Singapore Renouncee”	a purchaser of the rights to acquire Rights Shares, nil paid, through CDP’s book-entry (scripless) settlement system
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	direct and/or indirect wholly-owned subsidiaries

“Subscription Price”	the issue price of HK\$1.25 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“taken up/take up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs which have been lodged accompanied by cheques or other remittances for the full amount payable in respect thereof
“Time of Sale”	7:00 a.m. on the second Business Day following the Latest Acceptance Date or such other time falling within the period commencing on the second Business Day following the Latest Acceptance Date for the Rights Shares traded on the Stock Exchange and ending on the third Business Day following the Latest Acceptance Date for the Rights Shares traded on the Stock Exchange, as is notified to the Company by the Joint Underwriters as the time of sale with respect to their endeavours to procure subscribers for the Underwritten Shares not taken up
“Underwriting Agreement”	the underwriting agreement dated 3 September 2014 entered into between the Company and the Joint Underwriters in relation to the Rights Issue
“Underwritten Shares”	such number of Rights Shares as is equal to the total number of Rights Shares less the aggregate number of the Rights Shares which Yue Xiu has irrevocably undertaken to take up, or procure its Subsidiaries or nominees to take up, pursuant to the Irrevocable Undertaking
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“US Securities Act”	the US Securities Act of 1933, as amended

“Yue Xiu”

Yue Xiu Enterprises (Holdings) Limited. (越秀企業(集團)有限公司), a company incorporated in Hong Kong which is wholly-owned by 廣州越秀集團有限公司 (Guangzhou Yue Xiu Holdings Limited*), a limited liability company incorporated in the PRC which in turn is beneficially wholly-owned by the Guangzhou Municipal People’s Government of the PRC

“%”

per cent.

By Order of the Board
Yuexiu Property Company Limited
ZHANG Zhaoxing
Chairman

Hong Kong, 3 September 2014

As at the date of this announcement, the Board comprises:

Executive Directors: ZHANG Zhaoxing (Chairman), ZHU Chunxiu, TANG Shouchun, CHEN Zhihong, LI Feng and OU Junming

Independent Non-executive Directors: YU Lup Fat Joseph, LEE Ka Lun and LAU Hon Chuen Ambrose

** for identification purpose only*