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方興地產

FRANSHION PROPERTIES (CHINA) LIMITED

方興地產(中國)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00817)

**SPIN-OFF AND SEPARATE LISTING OF
THE HOTEL BUSINESS OF THE GROUP
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION**

The Company announces that the Over-allotment Option was partially exercised by the Joint Global Coordinators, on behalf of the International Underwriters, on 24 July 2014 in respect of an aggregate of 69,397,000 Share Stapled Units, representing 11.57% of the Offer Share Stapled Units initially available under the Global Offering before any exercise of the Over-allotment Option, to facilitate the return to the Company of 90,000,000 borrowed Share Stapled Units which were used to cover over-allocations of Share Stapled Units in the International Offering. The Over-allotment Share Stapled Units were sold by the Company at HK\$5.35 per Share Stapled Units (exclusive of brokerage fee, SFC transaction levy and Stock Exchange trading fee, if any), being the Offer Price under the Global Offering. The portion of the Over-allotment Option which has not been exercised by the Joint Global Coordinators, on behalf of the International Underwriters, lapsed on 24 July 2014.

The Company refers to the announcements made by the Company on 10 March 2014, 31 March 2014, 29 May 2014, 3 June 2014, 15 June 2014, 18 June 2014, 19 June 2014, 25 June 2014 and 2 July 2014 (the “**Announcements**”) relating to the Proposed Spin-off and the circular to Shareholders dated 19 June 2014 (the “**Circular**”). Capitalised terms in this announcement have the same respective meanings given to them in the Announcements and the Circular.

The Company announces that the Over-allotment Option was partially exercised by the Joint Global Coordinators, on behalf of the International Underwriters, on 24 July 2014 in respect of an aggregate of 69,397,000 Share Stapled Units (the “**Over-allotment Share Stapled Units**”), representing 11.57% of the Offer Share Stapled Units initially available under the Global Offering before any exercise of the Over-allotment Option, to facilitate the return to the Company of 90,000,000 borrowed Share Stapled Units which were used to cover over-allocations of Share Stapled Units in the International Offering. The Over-allotment Share Stapled Units were sold by the Company at HK\$5.35 per Share Stapled Units (exclusive of brokerage fee, SFC transaction levy and Stock Exchange trading fee, if any), being the Offer Price under the Global Offering. The portion of the Over-allotment Option which has not been exercised by the Joint Global Coordinators, on behalf of the International Underwriters, lapsed on 24 July 2014.

Immediately after the sale of the Over-allotment Share Stapled Units, the Company’s holding of the Share Stapled Units of the Jinmao Investments and JCIHL will decrease from 70% to approximately 66.53%.

The net proceeds (after deducting the underwriting commissions, the discretionary incentive fee and relevant expenses payable by the Company) from the sale of the Over-allotment Share Stapled Units amount to approximately HK\$361,219,851.43 and will be received by the Company. The Trustee-Manager and JCIHL will not receive any of such proceeds.

Approval for the listing of and permission to deal in the Over-allotment Share Stapled Units has already been granted by the Listing Committee.

By Order of the Board
Franshion Properties (China) Limited
HE Cao
Chairman

Hong Kong, 24 July 2014

As at the date of this announcement, the directors of the Company are Mr. HE Cao (Chairman), Mr. LI Congrui and Mr. HE Binwu as Executive Directors; Mr. YANG Lin and Ms. SHI Dai as Non-executive Directors; and Mr. LAU Hon Chuen, Ambrose, Mr. SU Xijia and Mr. LIU Hongyu as Independent Non-executive Directors.