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**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt about any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for independent professional advice. Capitalised terms used herein shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus, unless otherwise stated.

If you have sold or transferred all your shares in Country Garden Holdings Company Limited, you should at once hand this Prospectus and the accompanying PAL and EAF to the purchaser(s) or transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of this Prospectus, together with copies of the PAL and the EAF, and (where applicable) the documents specified in the paragraph headed "Documents Delivered to the Registrars of Companies" in Appendix III to this Prospectus have been registered by the Registrar of Companies in Hong Kong as required under Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of these documents.

Subject to the granting of the listing of and permission to deal in the Nil Paid Rights and the Rights Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Nil Paid Rights and the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Nil Paid Rights and the Rights Shares or such other dates 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in securities of the Company, the Nil Paid Rights and the Rights Shares may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Shareholders with registered addresses in any of the Specified Territories and Shareholders who are residents of the Specified Territories are referred to the paragraphs headed "Non-Qualifying Shareholders" under the section headed "Letter from the Board" of this Prospectus.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, the PAL and the EAF, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of these documents.

The securities described in this Prospectus have not been registered under the US Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this Prospectus in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. This Prospectus is for information purposes only and shall not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or Rights Shares or to take up any entitlements to the Nil Paid Rights or Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

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## **COUNTRY GARDEN HOLDINGS COMPANY LIMITED**

### **碧桂園控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(Stock Code : 2007)*

#### **RIGHTS ISSUE OF RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$2.50 EACH ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIFTEEN (15) EXISTING SHARES HELD ON THE RECORD DATE PAYABLE IN FULL ON ACCEPTANCE**

**Joint Underwriters of the Rights Issue**  
*(in alphabetical order)*

**Goldman  
Sachs**

**J.P.Morgan**

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The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Wednesday, 8 October 2014. The procedures for acceptance and payment or transfer of the Rights Shares are set out in the paragraph headed "Procedures for Acceptance and Payment or Transfer" under the section headed "Letter from the Board" on pages 22 to 51 of this Prospectus.

It should be noted that the Joint Underwriters may, upon giving notice in writing to the Company, terminate the Underwriting Agreement at any time prior to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 9 and 10 of this Prospectus.

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis since Monday, 15 September 2014. The Nil Paid Rights will be dealt in from Wednesday, 24 September 2014 to Friday, 3 October 2014 (both days inclusive). If, prior to the Latest Time for Termination, the Joint Underwriters terminate the Underwriting Agreement or if the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue and the Underwriting Agreement" under the section headed "Letter from the Board" of this Prospectus is otherwise not fulfilled or waived (as applicable), the Rights Issue will not proceed.

Any dealings in the Shares from the date of this Prospectus up to the date on which the conditions of the Rights Issue are fulfilled, which is currently expected to be 4:00 p.m. on Monday, 13 October 2014, and any dealings in the Nil Paid Rights from Wednesday, 24 September 2014 to Friday, 3 October 2014 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil Paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

22 September 2014

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## NOTICE

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The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not terminated in accordance with its terms. If the conditions of the Rights Issue as set out under the section headed “Letter from the Board — Underwriting Arrangement — Conditions of the Rights Issue” of this Prospectus are not fulfilled or waived (as applicable), the Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time. It should be noted that the existing Shares have been dealt in on an ex-rights basis since Monday, 15 September 2014, and the Nil Paid Rights will be dealt in from Wednesday, 24 September 2014 to Friday, 3 October 2014 (both days inclusive). Such dealings will take place when the condition of the Rights Issue remains unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived (as applicable) and any person dealing in the Nil Paid Rights from Wednesday, 24 September 2014 to Friday, 3 October 2014 (being the first and last day of dealings in the Nil Paid Rights, respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil Paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

**EXCEPT AS OTHERWISE SET OUT IN THIS PROSPECTUS, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING EXTENDED TO SHAREHOLDERS WITH ADDRESSES IN, OR INVESTORS WHO ARE LOCATED OR RESIDENT IN, ANY OF THE SPECIFIED TERRITORIES.** This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or the Rights Shares or to take up any entitlements to the Nil Paid Rights or the Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil Paid Rights, the Rights Shares, this Prospectus, the PAL and the EAF will be registered under the securities laws of any jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil Paid Rights and the Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the Specified Territories absent registration or qualification under the respective securities laws of such Specified Territories, or exemption from the registration or qualification requirement under applicable rules of such Specified Territories.

Shareholders with registered addresses in any jurisdictions outside Hong Kong are referred to the paragraphs headed “Non-Qualifying Shareholders” under the section headed “Letter from the Board” of this Prospectus.

Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the Nil Paid Rights and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the Nil Paid Rights and/or Rights Shares described in this Prospectus.

For a description of certain restrictions regarding the taking up of the Nil Paid Rights for, and the offering and sale of, the Rights Shares, see the notices below.

### **NOTICE TO OVERSEAS INVESTORS**

Based on the legal advice of the Company’s legal advisers in relation to the laws of the relevant overseas restrictions, the following notices are set out for the attention of the overseas investors in the following jurisdictions:

#### ***AUSTRALIA***

This Prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (Cth) (the “**Corporations Act**”), and does not purport to include the

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## NOTICE

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information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. No prospectus or other disclosure document under Australian law has been lodged with the Australian Securities and Investments Commission (“ASIC”) in relation to the Rights Issue, the Nil Paid Rights or the Rights Shares.

The Nil Paid Rights and the Rights Shares are not being offered to persons resident in Australia. This Prospectus is being provided to persons resident in Australia for information purposes only.

### *CANADA*

No receipt has been issued for this Prospectus by any Canadian provincial securities regulatory authority, and accordingly the Nil Paid Rights and the Rights Shares may not and will not be distributed to persons resident in Canada and may not be acquired by such persons. This Prospectus is being provided to persons resident in Canada for information purposes only.

### *MACAU*

The Company has not authorised any offer to the public of Nil Paid Rights or Rights Shares in Macau and no action has been undertaken to make an offer to the public of Rights Shares requiring a publication of a prospectus in Macau.

### *MALAYSIA*

This Prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission (“SC”) under the Capital Markets and Services Act 2007 (“CMSA”). This Prospectus will not be deposited as an information memorandum with the SC.

Accordingly, this Prospectus and any other document or material in connection with the issue or offer for sale, or invitation for acquisition of the Nil Paid Rights or the Rights Shares shall not be circulated nor distributed, nor may the Nil Paid Rights or the Rights Shares be issued, offered or sold, or be made subject of an invitation for acquisition, whether directly or indirectly, to any person in Malaysia.

### *THE PRC*

None of the Rights Issue Documents constitutes a public offer of the Nil Paid Rights or the Rights Shares, whether by way of sale or subscription, in the PRC. According to relevant PRC laws and regulations, the Nil Paid Rights and the Rights Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to, or for the benefit of, legal or natural persons in the PRC other than qualified domestic institutional investors and persons who are entitled to hold the Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authority.

### *TAIWAN*

The Nil Paid Rights and the Rights Shares have not been and will not be registered with the Financial Supervisory Commission or any other competent authorities of Taiwan pursuant to relevant laws and regulations

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## NOTICE

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of Taiwan and may not be issued, offered or sold to the public nor any unspecified persons in Taiwan unless otherwise registered or permitted under Taiwan law, but may be offered to existing Taiwan resident Shareholders for purchasing outside Taiwan.

### *UNITED STATES*

The PAL, the EAF, the Nil Paid Rights and the Rights Shares have not been and will not be registered under the US Securities Act or securities laws of any state or other jurisdiction of the United States and may not be offered, sold, allotted, taken up, exercised, resold, renounced, pledged, transferred or delivered, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the PAL, the Nil Paid Rights or the Rights Shares in the United States.

The PAL, the EAF, the Nil Paid Rights and the Rights Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue, the PAL, the EAF, the Nil Paid Rights or the Rights Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Subject to certain exceptions, none of this Prospectus, the PAL or the EAF constitutes or will constitute, or forms or will form, part of any offer or invitation to issue, purchase or acquire the Nil Paid Rights or the Rights Shares to any person with a registered address, or who is located, in the United States. The Nil Paid Rights and the Rights Shares are being offered outside the United States in reliance on Regulation S under the US Securities Act.

In addition, until 40 days after the commencement of the offering of the Nil Paid Rights and the Rights Shares, or the procurement of purchasers by the Joint Underwriters of the Rights Shares not initially taken up, any offer, sale or transfer of the Nil Paid Rights or the Rights Shares in or into the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

The Joint Underwriters may arrange for the offer of the Rights Shares not taken up in the Rights Issue only outside the United States in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of the Rights Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

The Company may offer the Nil Paid Rights or the Rights Shares in the United States to persons whom the Company reasonably believes to be QIBs in transactions exempt from the registration requirements under the US Securities Act, provided that such persons fulfil the relevant requirements to the satisfaction of the Company.

### **FORWARD-LOOKING STATEMENTS**

The Company has made forward-looking statements in this Prospectus regarding, among other things, the Group's financial conditions, future expansion plans and business strategies. These forward-looking statements are based on the Group's current expectations about future events. Although the Company believes that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things: risks associated with international global business activities; general economic and political conditions, including those related to the PRC; the business strategy

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**NOTICE**

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and plan of operation; the operations and business prospects; financial condition and results of operation; fluctuations in foreign currency exchange rates; and those other risks identified in the section headed “Risk Factors” in this Prospectus.

The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “plan”, “illustrate”, “seek”, “continue”, “will”, “would”, “may” and similar expressions and the negative thereof are intended to identify a number of these forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Prospectus might not occur and the Group’s actual results could differ materially from those anticipated in these forward-looking statements.

These forward-looking statements speak only as at the date of this Prospectus. Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable laws, the Company does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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## TABLE OF CONTENTS

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	<i>Pages</i>
<b>Definitions</b> .....	<b>1</b>
<b>Expected Timetable</b> .....	<b>6</b>
<b>Summary of the Rights Issue</b> .....	<b>8</b>
<b>Termination of the Underwriting Agreement</b> .....	<b>9</b>
<b>Risk Factors</b> .....	<b>11</b>
<b>Letter from the Board</b> .....	<b>22</b>
1. Introduction .....	23
2. Rights Issue .....	23
3. Underwriting Arrangement .....	39
4. Effect of the Rights Issue on the Shareholdings in the Company .....	45
5. Warning of the Risks of Dealing in the Shares and the Nil Paid Rights .....	48
6. Reasons for the Rights Issue .....	48
7. Use of Proceeds .....	49
8. Taxation .....	50
9. Previous Equity Fund Raising by the Company .....	50
10. No Shareholders' Approval is Required for Rights Issue .....	50
11. Possible Adjustment to the Share Options .....	50
12. Information of the Group .....	50
13. Activities by Syndicate Members .....	51
14. The Loan Facility .....	51
15. Additional Information .....	51
<b>Appendices</b>	
Appendix I — Financial Information of the Group .....	I-1
Appendix II — Unaudited Pro Forma Financial Information of the Group .....	II-1
Appendix III — General Information .....	III-1

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## DEFINITIONS

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*In this Prospectus, the following expressions have the meanings set out below unless the context otherwise requires.*

“2014 Senior Notes”	the US\$375 million 11.75% senior notes due 2014;
“Accepted Jurisdictions”	has the meaning ascribed thereto under the paragraph headed “Non-Qualifying Shareholders” in the section headed “Letter from the Board” of this Prospectus;
“Announcement”	the announcement of the Company dated 27 August 2014 in relation to the Rights Issue;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered in the register of members of the Company in the name of a Registered Nominee;
“Board”	the board of Directors;
“Business Day”	any weekday (other than a Saturday or on a day which a tropical cyclone warning signal number 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.) which banks generally are open for business in Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Closing Date”	the date falling on the third business day after the Latest time for Acceptance (or such later date as the Company and the Joint Underwriters may agree in writing), but in any event shall be on or before the Long Stop Date;
“Committed Shares”	the Rights Shares which each of the Registered Committed Shareholders has undertaken to accept;
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the laws of Hong Kong), as amended and supplemented from time to time;
“Company”	Country Garden Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2007);
“Concrete Win”	Concrete Win Limited, a company incorporated in the British Virgin Islands with limited liability on 7 April 2006 and wholly owned by Ms. YANG Huiyan;

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## DEFINITIONS

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“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares;
“Genesis Capital”	Genesis Capital Global Limited, a company incorporated in the British Virgin Islands with limited liability on 28 July 2014 and wholly owned by Ms. YANG Huiyan;
“Golden Value”	Golden Value Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 10 August 2012 and wholly owned by Ms. YANG Huiyan;
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C.;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and who are not connected person(s) of the Company;
“Irrevocable Subscription Amount”	the amount equal to the relevant number of Committed Shares multiplied by the Subscription Price, which in aggregate equals to approximately HK1,891.7 million;
“Irrevocable Undertakings”	the irrevocable undertakings dated 27 August 2014 given by each of Concrete Win, Golden Value, Jolly Faith and Genesis Capital in favour of the Company and the Joint Underwriters;
“J.P. Morgan”	J.P. Morgan Securities (Asia Pacific) Limited;
“Joint Underwriters”	Goldman Sachs and J.P. Morgan ( <i>in alphabetical order</i> );
“Jolly Faith”	Jolly Faith Group Limited, a company incorporated in the British Virgin Islands with limited liability on 5 October 2012 and owned as to 50% by Ms. YANG Huiyan and 50% by Mr. YEUNG Kwok Keung;
“Last Day for Transfer”	Tuesday, 16 September 2014, being the last date for lodging transfer of Shares prior to the closure of register of members of the Company;



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## DEFINITIONS

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“Last Trading Day”	Wednesday, 27 August 2014, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of the Announcement;
“Latest Acceptance Date”	Wednesday, 8 October 2014, being the last day for acceptance of, and payment for, the Rights Shares, or such other date as the Company and the Joint Underwriters may agree in writing;
“Latest Practicable Date”	Wednesday, 17 September 2014, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein;
“Latest Time for Acceptance”	the latest time for acceptance of, and payment for, the Rights Shares, which is expected to be 4:00 p.m. on the Latest Acceptance Date;
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the Latest Time for Acceptance or such later date as the Company and the Joint Underwriters may agree in writing;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Facility”	has the meaning ascribed to it in the paragraph headed “14. The Loan Facility” under the section headed “Letter from the Board” in this Prospectus;
“Long Stop Date”	Friday, 24 October 2014 (or such later date as the Joint Underwriters may agree);
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid;
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) and other person(s) whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares to on account of either the legal restrictions under the laws of the relevant place outside Hong Kong or the requirements of the relevant regulatory body or stock exchange in that place as more particularly described in the paragraph headed “Non-Qualifying Shareholders” under the section headed “Letter from the Board” in this Prospectus;
“Overseas Shareholder(s)”	(i) the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong and (ii) Shareholder(s) (whether as direct holder or Beneficial Owner) who is/are known by the Company to be resident(s) of place(s) outside Hong Kong;

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## DEFINITIONS

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“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue;
“Pledged Shares”	has the meaning ascribed to it in the paragraph headed “14. The Loan Facility” under the section headed “Letter from the Board” in this Prospectus;
“Posting Date”	Monday, 22 September 2014 or such other date as the Company and the Joint Underwriters may agree in writing for the despatch of the Rights Issue Documents;
“PRC”	the People’s Republic of China which, for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Prospectus”	this prospectus issued by the Company in relation to the Rights Issue;
“QIB(s)”	qualified institutional buyer(s) as defined in Rule 144A under the US Securities Act;
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date;
“Record Date”	Friday, 19 September 2014 (or such other date as the Company and the Joint Underwriters may agree in writing), being the date by reference to which entitlements to the Rights Issue are expected to be determined;
“Registered Committed Shareholders”	Concrete Win, Golden Value, Jolly Faith and Genesis Capital;
“Registered Nominee”	a nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company;
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong;
“Rights Issue”	the proposed issue by the Company of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every fifteen (15) existing Shares held on the Record Date payable in full on acceptance;
“Rights Issue Documents”	this Prospectus, PAL(s) and EAF(s);
“Rights Shares”	the new Shares to be issued and allotted under the Rights Issue (which is expected to be not less than 1,271,988,736 Shares and not more than 1,272,188,736 Shares);

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## DEFINITIONS

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“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HK\$0.10 each;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Option(s)”	the option(s) to subscribe for Share(s) granted under the Share Option Scheme;
“Share Option Scheme”	the share option scheme of the Company adopted on 20 March 2007;
“Specified Territories”	Australia, Canada, Macau, Malaysia, the PRC, Taiwan and the United States, and any one of them a “Specified Territory”;
“sq. m.”	square meters;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$2.50 per Rights Share;
“Syndicate Members”	the Joint Underwriters and/or their respective affiliates;
“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 have been lodged accompanied by cheques or other remittances for the full amount payable in respect thereof;
“US Securities Act”	US Securities Act of 1933, as amended;
“US\$”	US dollar, the lawful currency of the US;
“Underwriting Agreement”	the underwriting agreement dated 27 August 2014 entered into between the Company and the Joint Underwriters in relation to the Rights Issue;
“Underwritten Shares”	the Rights Shares underwritten by the Joint Underwriters pursuant to the terms of the Underwriting Agreement;
“United States” or “US”	the United States of America (including its territories and possessions, any state in the US and the District of Columbia);
“Vested Share Options”	Share Options which have been validly vested to the holders entitling them to subscribe for Shares on or before the Record Date (being Share Options in respect of 3,000,000 Shares as at the Latest Practicable Date); and
“%”	per cent. or percentage.

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## EXPECTED TIMETABLE

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### EXPECTED RIGHTS ISSUE TIMETABLE

Last day of dealings in the Shares on a cum-rights basis . . . . .	Friday, 12 September 2014
Commencement of dealings in the Shares on an ex-rights basis . . . . .	Monday, 15 September 2014
Latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue . . . . .	4:30 p.m. on Tuesday, 16 September 2014
Closure of the register of members of the Company for determining entitlements under the Rights Issue (both days inclusive) . . . . .	Wednesday, 17 September 2014 to Friday, 19 September 2014
Record Date for determining entitlements under the Rights Issue . . . . .	Friday, 19 September 2014
Register of members of the Company re-opens . . . . .	Monday, 22 September 2014
Despatch of the Rights Issue Documents . . . . .	Monday, 22 September 2014
First day for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares . . . . .	Tuesday, 23 September 2014
First day of dealings in nil-paid Rights Shares . . . . .	Wednesday, 24 September 2014
Latest time for splitting of nil-paid Rights Shares . . . . .	4:30 p.m. on Friday, 26 September 2014
Last day of dealings in nil-paid Rights Shares . . . . .	Friday, 3 October 2014
Latest time for acceptance of, and payment for the Rights Shares and application and payment for excess Rights Shares . . . . .	4:00 p.m. on Wednesday, 8 October 2014
Latest time for the termination of the Underwriting Agreement and the Rights Issue to become unconditional . . . . .	4:00 p.m. on Monday, 13 October 2014
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company on or around . . . . .	Tuesday, 14 October 2014
Despatch of certificates for fully-paid Rights Shares and refund cheques on or around . . . . .	Wednesday, 15 October 2014
Expected first day of dealings in fully-paid Rights Shares on the Stock Exchange . . . . .	Thursday, 16 October 2014
Designated broker starts to provide matching services for odd lots of Shares . . . . .	Thursday, 16 October 2014
Designated broker ceases to provide matching services for odd lots of Shares . . . . .	Thursday, 30 October 2014

**Notes:** All times and dates in this Prospectus refer to Hong Kong local times and dates. 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 Prospectus, are indicative only and may be varied by agreement between the Company and the Joint Underwriters.

If any special circumstances arise, the Board may extend, or make adjustment to, the expected timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

For details in relation to the odd lot matching services, see the paragraph headed “Odd Lot Matching Services” in the section headed “Letter from the Board” of this Prospectus.

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## EXPECTED TIMETABLE

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### **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 the Rights Shares and 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, in force in Hong Kong at any local time:

- (1) before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. 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
- (2) between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead the latest time for 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 currently scheduled date for the Latest Acceptance Date, the dates mentioned in the section headed “Expected Timetable” in this Prospectus may be affected. The Company will notify the Shareholders by way of an announcement of any change to the expected timetable as soon as practicable.

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## SUMMARY OF THE RIGHTS ISSUE

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*The following information is derived from, and should be read in conjunction with and, subject to, the full text of this Prospectus.*

### RIGHTS ISSUE

A summary of the Rights Issue is set out below:

Basis of the Rights Issue	:	one (1) Rights Share for every fifteen (15) existing Shares held on the Record Date
Subscription Price	:	HK\$2.50 per Rights Share
Number of Shares in issue on the Record Date	:	19,079,831,046 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Not less than 1,271,988,736 Rights Shares (assuming no new Shares are allotted and issued pursuant to any exercise of the Vested Share Options on or before the Record Date) and not more than 1,272,188,736 Rights Shares (assuming new Shares are allotted and issued pursuant to the full exercise of the Vested Share Options on or before the Record Date)
Joint Underwriters	:	Goldman Sachs and J.P. Morgan ( <i>in alphabetical order</i> )
Minimum enlarged issued share capital of the Company upon completion of the Rights issue	:	20,351,819,782 Shares (assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)
Maximum enlarged issued share capital of the Company upon completion of the Rights issue	:	20,355,019,782 Shares (assuming new Shares are allotted and issued pursuant to the full exercise of the Vested Share Options on or before the Record Date and no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)
Funds raised before expenses	:	Approximately HK\$3,180.0 million to HK\$3,180.5 million
Excess applications	:	Qualifying Shareholders may apply, by way of excess application, for Rights Shares in excess of their provisional allotment

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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

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

- (i) any matter or circumstance arises as a result of which any of the conditions set out in the section headed “Conditions of the Rights Issue” of this Prospectus has become incapable of satisfaction as at the required time; or
- (ii) any breach of any of the warranties or certain undertakings given by the Company under the Underwriting Agreement comes to the knowledge of any 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 any matter has arisen which would reasonably be expected to give rise to such a breach or a claim in respect of such warranties or undertakings; or
- (iii) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the times on which the warranties given by the Company under the Underwriting Agreement are deemed to be given, would have rendered any of those warranties untrue, incorrect or misleading in any material respect; or
- (iv) any statement contained in this Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if this Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (v) the Company is required to produce a supplementary Prospectus; or
- (vi) there is any material change or prospective change in the condition, results of operations, prospects, management, business, shareholders’ equity or in the financial or trading position of any member of the Group which, in the sole opinion of the Joint Underwriters, is or may be materially adverse in the context of the Rights Issue; or
- (vii) permission to deal in and listing of all the Right Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
- (viii) 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):
  - (a) any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, the United States or the European Union (or any member thereof); or
  - (b) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong, the United States or the European Union (or any member thereof); or

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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- (c) the declaration of a banking moratorium by authorities in the PRC, Hong Kong, United States or the European Union (or any member thereof) occurring due to exceptional financial circumstances or otherwise; or
- (d) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange plc, the New York Stock Exchange, Inc. or NASDAQ, or any major disruption of any securities settlement or clearing services in Hong Kong; or
- (e) any suspension of dealings in the Shares (other than pending publication of announcements in respect of the Rights Issue or transactions pursuant to Chapter 14 and/or 14A of the Listing Rules which are conducted in the ordinary and normal course of business of the Company); or
- (f) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong, the PRC or any other place in which any member of the Group conducts or carries on business,

the effect of which events or circumstances referred to above individually or in the aggregate (in the sole opinion of the Joint Underwriters) (x) is or would be materially adverse to, or prejudicially affects or would prejudicially affect, the Group as a whole or its prospects or the Rights Issue or (y) makes or may make it impracticable, inadvisable or inexpedient to proceed with the Rights Issue.

**In the event the Joint Underwriters exercise their right to terminate the Underwriting Agreement prior to the Latest Time for Termination, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights or obligations under the Underwriting Agreement) and no party will have any claim against any other for costs, damages, compensation or otherwise provided that such termination shall be without prejudice to the rights of the Company and the Joint Underwriters in respect of any breach of the Underwriting Agreement occurring prior to such termination.**

**If the Joint Underwriters exercise such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Joint Underwriters.**

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL PAID RIGHTS**

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 “Termination of the Underwriting Agreement” of this Prospectus for further details.

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled or waived (as applicable), the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

The Shares have been dealt in on an ex-rights basis since Monday, 15 September 2014. Dealings in the Nil Paid Rights are expected to take place from Wednesday, 24 September 2014 to Friday, 3 October 2014 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or the Nil Paid Rights.



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## RISK FACTORS

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### RISKS RELATING TO THE BUSINESS OF THE GROUP

**The business and prospects of the Group is heavily dependent on the performance of the property market in the PRC, particularly in Guangdong Province, and may be affected by the performance of the property market in other places, particularly Malaysia and Australia, where the Group conducts its operations.**

As at 30 June 2014, the Group had 209 projects at various stages of development. 82 of the projects are located in Guangdong Province including 16 in Guangzhou city, 13 in Jiangmen city, 11 in Dongguan city, 9 in Foshan city, 7 in Zhaoqing city, 6 in Meizhou city, 5 in Qingyuan city, 3 in each of Shaoguan city and Maoming city, 2 in each of Huizhou city, Yunfu city and Shanwei city, 1 in each of Yangjiang city, Heyuan city and Zhongshan city. Another 127 projects are located as the following: 6 in Wuxi city, 4 in Nantong city, 3 in each of Yancheng city and Xuzhou city, 2 in each of Taizhou city, Yangzhou city and Zhenjiang city, 1 in each of Nanjing city, Suzhou city and Changzhou city in Jiangsu Province, 3 in each of Wuhan city and Xianning city, 1 in each of Suizhou city, Jingmen city, Ezhou city, Huanggang city, Huangshi city and Yichang city in Hubei Province, 2 in each of Hefei city and Chuzhou city, 1 in each of Anqing city, Chizhou city, Maanshan city, Huangshan city, Wuhu city, Xuancheng city and Lu'an city in Anhui Province, 2 in each of Hangzhou city, Jiaxing city and Shaoxing city, 1 in each of Ningbo city, Quzhou city and Wenzhou city in Zhejiang Province, 2 in Yantai city, 1 in each of Ji'nan city, Weihai city, Weifang city, Zibo city, Zoucheng city, Qingdao city and Taian city in Shandong Province, 4 in Changsha city and 1 in each of Yiyang city, Zhangjiajie city, Xiangtan city, Chenzhou city, Hengyang city in Hunan Province, 5 in Shenyang city and 1 in Anshan city in Liaoning Province, 2 in each of Quanzhou city and Ningde city, 1 in each of Sanming city and Nanping city in Fujian Province, 3 in Lin'gao county and 1 in Wenchang city in Hainan Province, 2 in Yichun city, 1 in each of Pingxiang city and Jiujiang city in Jiangxi Province, 1 in each of Yulin city, Baise city, Wuzhou city and Qinzhou city in Guangxi Zhuang Autonomous Region, 4 in Chongqing Municipality, 3 in Tianjin Municipality, 1 in each of Hulunbeier city, Xing'anmeng and Tongliao city in Inner Mongolia, 1 in each of Guangyuan city, Nanchong city and Deyang city in Sichuan Province, 1 in each of Anyang city, Luoyang city and Zhoukou city in Henan Province, 2 in Lanzhou city in Gansu Province, 1 in each of Guiyang city and Zunyi city in Guizhou Province, 1 in each of Tangshan city and Baoding city in Hebei Province, 1 in Suihua city in Heilongjiang Province, 1 in Qujing city in Yunnan Province, 2 in the State of Selangor and 1 in the State of Johor in Malaysia as well as 1 in Sydney in Australia. The Company cannot assure that the Group's existing projects will continue to attract tenants and purchasers and generate income at historical rates, or that they will continue to be successful in the future. Since the Company expects to continue to strengthen its market presence in such cities by developing additional projects, the Group's business will continue to be heavily dependent on the performance of property markets in these areas. These property markets may be affected by local, regional, national and global factors, including economic and financial conditions, speculative activities in local markets, demand for and supply of properties, availability of alternative investment choices for property buyers, inflation, government policies, interest rates and availability of capital. Any market downturn in China generally or in cities in which the Group has or expects to have operations may materially and adversely affect the business, financial condition and results of operations of the Group.

**The Group maintains certain level of indebtedness, which may affect the business, financial condition, results of operations and prospects of the Group.**

The Group maintains certain level of indebtedness. The total outstanding bank and other borrowings and senior notes amounted to approximately RMB28,966 million, RMB36,913 million and RMB56,249 million as at 31 December 2011, 2012 and 2013, respectively, and RMB57,511 million as at 30 June 2014.

The ability of the Group to repay the principal and pay the interest on borrowings and to meet capital commitments and contingent liabilities depends substantially on the cash flows and results of operations of its operating subsidiaries, which depend in part upon social, political, economic, legal and other risks, most of which

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## RISK FACTORS

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are beyond control. The Company cannot assure you that they will have sufficient cash flows to service the Group's borrowings, capital commitments or contingent liabilities. If the Company is not able to refinance its borrowings on commercially acceptable terms or at all, liquidity will be adversely affected and, as a result, the results of operations, financial condition and business prospects may be materially and adversely affected.

**The Group may not be able to acquire land reserves in desirable locations that are suitable for the development at commercially acceptable prices.**

The sustainable growth and success of the Group's business significantly depend on its ability to continue acquiring additional land reserves in desirable locations at commercially reasonable prices that are suitable for its residential projects. The Group's ability to acquire land depends on a variety of factors that are beyond its control, such as overall economic conditions, the availability of land parcels provided by the government, effectiveness in identifying and acquiring land parcels suitable for development and competition for such land parcels. The availability and price of land sold at auctions also depends on factors beyond the Group's control, including government land policies and competition. The PRC government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. Specific regulations are in place to control the methods and procedures by which land parcels are acquired and developed in the PRC. Furthermore, the rapid development in the cities that the Group conducts business in recent decades has resulted in a limited supply of undeveloped land in desirable locations and at reasonable acquisition costs, which constitutes one of the major components of the cost of sales of Group.

To the extent that the Company is unable to acquire suitable land parcels at commercially acceptable prices for its future development in a timely manner or at prices that enable reasonable economic returns, the business, financial condition, results of operations and prospects of the Group may be materially and adversely affected.

**The business of the Group is sensitive to general economic conditions. A severe or prolonged downturn in the global or PRC economy could materially and adversely affect the business and financial condition of the Group.**

The global financial markets experienced significant disruptions in 2008 and the United States, Europe and other economies went into recession. The recovery from the lows of 2008 and 2009 was uneven and it is facing new challenges, including the escalation of the European sovereign debt crisis since 2011. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world's leading economies, including China's. There have also been concerns over unrest in the Middle East and Africa, which have resulted in higher oil prices and significant market volatility.

Economic conditions in China are sensitive to global economic conditions. Since the Company derives, and expects to continue to derive, its revenues almost entirely from China, the business and prospects may be affected by economic conditions in China. The Company cannot assure that reductions in residential property spending will not occur. A decline in the economic prospects of the current and potential residential property purchasers or the economy in general could reduce their needs for the Group's products and services.

Therefore, any prolonged slowdown in the global or China's economy may materially and adversely affect the financial condition and results of operations of the Group. In addition, the weak economy could weaken investor confidence, which constitutes the basis of the credit markets. Renewed financial turmoil affecting the financial markets, banking systems or currency exchange rates may significantly restrict the Group's ability to obtain financing in the capital markets or from financial institutions on commercially reasonable terms, or at all, which could also materially and adversely affect the business, results of operations and prospects of the Group.

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## RISK FACTORS

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**The land of the Group may be forfeited to the PRC government if the Group fails to comply with the terms of the land grant contracts.**

Under PRC laws and regulations, if a property developer fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, designated use of land, time for commencement and completion of development of the land), the relevant government authorities may issue a warning to, or impose a penalty on, the developer, or require the developer to forfeit the land. Under current PRC laws and regulations, if the Group fails to commence development within one year from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may serve a warning notice on it and impose an idle land fee on the land of up to 20.0% of the land premium. If the Group fails to commence development within two years from the commencement date stipulated in the land grant contract, the land is subject to forfeiture to the PRC government unless the delay in development is caused by government actions, force majeure or necessary preparatory work.

Although the delays in the commencement of construction or the completion of certain of its property development did not lead to forfeiture of land or payment of idle land fee, the Group cannot assure you that circumstances leading to forfeiture of land or payment of idle land fees will not arise in the future. If the Group is required to forfeit land, to pay idle land fees or even to pay appreciation land premium, the Group will not be able to continue its property development on the forfeited land or recover the costs incurred for the initial acquisition of the forfeited land or recover development and other costs incurred up to the date of forfeiture, and its business, financial condition and results of operations may be adversely affected.

**The Group may not be able to obtain land use rights certificates or land title with respect to certain parcels of land in which the Group currently has interests.**

The Group has entered into land grant contracts or land grant confirmation letters or sale and purchase agreements to acquire certain parcels of land for which the Group has not yet obtained land use rights certificates or land title and the Group has not paid up all the land grant premium for some of these land parcels. If the Group fails to complete the acquisition of these parcels of land in a timely manner, or at all, the Group will not be able to develop and sell properties on such land. The Group may not be able to acquire new land in replacement on terms acceptable to it, or at all. This would have a material adverse effect on its business, financial condition, results of operations and business prospects going forward.

**The business and results of operations of the Group may be adversely affected if the Group fails to obtain, or there are material delays in obtaining, the requisite governmental approvals.**

The property industry is generally subject to extensive regulations whether in the PRC or in the overseas markets. For example, to establish a property development subsidiary in China, the Group must go through various PRC governmental approval and filing procedures and obtain the requisite approvals and licenses for its investment in such subsidiary and its property development and related business operations. The Company's property development subsidiaries must comply with a variety of legal and regulatory requirements, as well as the policies and procedures established by local authorities to implement such laws and regulations.

To undertake and complete a property development, a property developer must obtain permits, licenses, certificates and other approvals from the relevant administrative authorities at various stages of the property development, including land use rights documents, planning permits, construction permits, pre-sale permits and certificates or confirmations of completion and acceptance. Each approval is dependent on the satisfaction of a set of conditions. Failure to obtain, or material delays in obtaining the requisite governmental approvals for any of its projects could give rise to potential liabilities and substantially disrupt the development and sale of its developments, which would result in a material adverse effect on its business, results of operations and financial condition.

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## RISK FACTORS

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The Group is currently applying for approval of the property development for certain projects. The Group cannot assure you that it will not encounter significant problems in satisfying the conditions to the approvals necessary for its business operations or property development, or that the Group will be able to adapt itself to new laws, regulations or policies that may come into effect from time to time and to which the Group is subject or the particular processes related to the granting of the approvals. There may also be delays on the part of the administrative bodies in reviewing its applications and granting approvals. There may be instances where the Group cannot obtain approvals on time. If the Group fails to obtain, or experience material delays in obtaining, the requisite governmental approvals, licenses and filings, its investment in its subsidiaries and the schedule of development and sale of its developments could be substantially disrupted, resulting in a material adverse effect on its business, financial condition and results of operations.

**The Group is subject to legal and business risks if the Group fails to obtain or maintain qualification certificates.**

Property developers in the PRC must obtain a formal qualification certificate in order to develop property in the PRC. Property developers in the PRC are required to produce a valid qualification certificate when they apply for a pre-sale permit. If the newly established property developer fails to commence a property development project within the one-year period when the provisional qualification certificate is in effect, it will not be allowed to extend its provisional qualification certificate. The qualification certificates of property developers are subject to an annual review by the relevant governmental authorities. It is mandatory under government regulations that developers fulfill all statutory requirements before obtaining or renewing their qualification certificates. Qualification certificates for property developers are subject to renewal on an annual basis. In reviewing an application to renew a qualification certificate, the local authority takes into account the property developer's registered capital, property development investments, history of property development and quality of property construction, as well as the expertise of the developer's management and whether the developer has any illegal or improper operations.

Each of the Group's project companies, with the assistance of the group office, is responsible for the annual submission of its renewal application. If any one of the project companies is unable to meet the relevant qualification requirements, the local authorities will normally grant that project company, subject to a penalty of between RMB50,000 and RMB100,000, a grace period to rectify any insufficiency or non-compliance. Failure to satisfy the requirements within the specified time frame could result in rejection of the renewal application and revocation of the business license of the project company. As at the date of this prospectus, certain project companies are in the process of applying for extension of the qualification certificates and certain newly established project companies are in the process of applying for issuance of the qualification certificates.

In addition, the Group has other non-property development related subsidiaries which also require qualification certificates to engage in their relevant operations. As of the date of this Prospectus, certain subsidiaries have obtained such qualification certificates.

The Group cannot assure you that the qualification certificates of all of its existing project companies will continue to be renewed or extended or that formal qualification certificates for new project companies and its other non-property development related subsidiaries will be obtained in a timely manner, or at all. If the Group's project companies or other non-property development related subsidiaries are unable to obtain or renew their qualification certificates, as applicable, they will not be permitted to engage in or continue their businesses, which could have a material adverse effect on its business and financial condition.

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## RISK FACTORS

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**Any portion of the uncompleted and future property developments of the Group that are not in compliance with relevant laws and regulations will be subject to governmental approval and additional payments.**

The local government authorities inspect property developments after their completion and issue Construction of Properties and Municipal Infrastructure Completed Construction Works Certified Reports if the developments are in compliance with the relevant laws and regulations. If the total constructed GFA of a property development exceeds the GFA originally authorized in the relevant land grant contracts or construction permit, or if the completed property contains built-up areas that do not conform to the plan authorized by the construction permit, the property developer may be required to pay additional amounts or take corrective actions with respect to such noncompliant GFA before a Construction of Properties and Municipal Infrastructure Completed Construction Works Certified Report can be issued to the property development.

The Group cannot assure you that local government authorities will not find that the total constructed GFA of its existing projects under development or any future property development exceeds the relevant authorized GFA upon completion. Moreover, the Group cannot assure you that the Group would have sufficient funding to pay any required additional land premium or to pay for any corrective action that may be required in a timely manner, or at all. Any of these circumstances may materially and adversely affect its reputation, its business, results of operations and financial condition.

**Potential liability for environmental problems could result in substantial costs.**

The Group is subject to a variety of laws and regulations concerning environmental protection. The particular environmental laws and regulations that apply to any given development site may vary greatly according to the site's location and environmental condition, the present and former uses of the site and the nature of the adjoining properties. The requirements under environmental laws and conditions may result in delays to development schedules, may cause the Group to incur substantial compliance and other costs and may prohibit or severely restrict project development activity in environmentally sensitive areas.

The PRC environmental regulations provide that each project developed by a property developer must undergo an environmental assessment, and depending on the degree of the impact of the project on the environment, an environmental impact assessment report or an environmental impact report form or an environmental impact registration form should be submitted to the relevant government authorities for approval before construction can commence. If the Group fails to comply with such requirements, the local environmental authority may order the Group to suspend project construction until an environmental impact assessment report is submitted to and approved by such authority. The local environmental authority may also impose on the Group a fine of RMB50,000 to RMB200,000 in respect of such project. The Group is currently applying for the approval of environmental assessment for certain of its projects. The Group cannot assure you that the Group will be able to obtain these approvals in a timely manner.

In addition, PRC law requires environmental facilities that are included in property developments to pass inspection by the environmental authorities in order to obtain completion approval before commencing operations. Some of the property projects of the Group have environmental facilities that are subject to this requirement and are currently applying for inspection by the environmental authorities. The Group cannot assure you that the Group will be able to pass such inspections in a timely manner. If the Group fails to comply with this inspection requirement, the local environmental authorities may order it to suspend construction or use of the relevant facilities, which may disrupt its operations and adversely affect its business. Such authorities may also

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## RISK FACTORS

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impose on it a fine up to RMB100,000 in respect of such project. The Group cannot assure you that the Group will obtain such approvals in a timely manner. In the event that such completion approvals cannot be obtained or if a fine is imposed on the Group, the business and financial condition of the Group may be adversely affected.

Although the environmental investigations conducted by local environmental authorities to date have not revealed any environmental liability that the Group believes would have a material adverse effect on its business, financial condition or results of operations, it is possible that these investigations did not reveal all environmental liabilities and that there are material environmental liabilities of which the Group is unaware. The Group cannot assure you that a future environmental investigation will not reveal any material environmental liability. Furthermore, the Group cannot assure you that the PRC government will not change the existing laws and regulations or impose additional or stricter laws or regulations, the compliance with which may cause the Group to incur significant capital expenditure. In addition, there is no assurance that the Group would be able to comply with any such laws and regulations, in the PRC or elsewhere where the Group conducts or may conduct its operations.

### **Land use rights certificates and building ownership certificates of certain of the properties owned or used by the Group have not been obtained.**

The Group has not obtained building ownership certificates for certain of its properties. The Group's PRC legal advisor has advised the Group that because of the lack of building ownership certificates for these properties, the Group may be ordered by the relevant PRC government department to (i) remedy the defect and pay a fine which represents more than 2% but less than 4% of the consideration payable under the relevant construction agreement of these properties, (ii) compensate for losses suffered by the users of these properties or (iii) vacate these properties. In the event that any of these penalties is imposed on the Group, the business of the Group may be affected.

In addition, the Group leases certain land and buildings from third parties who have not obtained the relevant land use rights certificates or the building ownership certificates, as applicable. In the event that the leases with these third parties are invalidated due to defects in the leased properties' title, the Group will have to return or restore the properties, which may affect the overall appeal of the relevant property developments. The Group will also have to find substitute housing for its employees living in such premises.

### **The Company may be involved in legal and other disputes from time to time arising out of its operations and may face significant liabilities as a result.**

The Company may from time to time be involved in disputes with various parties involved in the development and the sale of its properties, including contractors, suppliers, construction companies, business or joint venture partners and purchasers. These disputes may lead to protests or legal or other proceedings and may result in damage to the Company's reputation, substantial costs related to any delay in project development and diversion of resources and management's attention from the Group's core business activities. Purchasers of the Group's properties may take legal action against the Company if the developed properties are perceived to be inconsistent with the representations and warranties made to such purchasers. In addition, the Company may have compliance issues with regulatory bodies in the course of its operations, in respect of which the Company may face administrative proceedings and unfavorable decisions that may result in liabilities and cause delays to its property developments. The Company may be involved in other proceedings or disputes in the future that may have a material and adverse effect on the business, financial condition, results of operations or cash flows of the Group.

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## RISK FACTORS

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### **The PRC property market is highly competitive.**

The property market in China has been highly competitive. The Company competes with domestic and overseas property developers in the cities where the Group has operations. The Company may seek to further enhance its market presence in these cities amid intense competition. Many of the Group's competitors, including overseas listed foreign developers and top-tier domestic developers, may have more financial or other resources than the Group. Competition among property developers may cause an increase in land costs and raw material costs, shortages in quality construction contractors, surplus in property supply leading to property price decline, further delays in issuance of governmental approvals, and higher costs to attract or retain talented employees. If the Company fails to compete effectively, the business, financial condition and results of operations of the Group will suffer.

### **RISKS RELATING TO THE PRC**

#### **Adverse changes in the economic and political policies of the PRC government could have an adverse effect on overall economic growth in China, which may adversely affect the Group's business.**

Most of the Group's business operations are located within China. Accordingly, the Group's financial condition, results of operations and prospects depend to a significant extent on economic developments in China. China's economy differs from the economies of most other countries in many respects, including the degree of government intervention in the economy such as government control of foreign exchange and the allocation of resources, the general level of economic development and growth rates. While the PRC economy has experienced significant growth in the past 30 years, this growth has been uneven across different periods, regions and amongst various economic sectors. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. The PRC government also exercises significant control over China's economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Since late 2003, the PRC government has, at times, implemented a number of measures, such as increasing the statutory deposit reserve ratio of the People's Bank of China, and imposing commercial bank lending guidelines, which had the effect of slowing the growth of credit availability. In 2008 and 2009, in response to the global financial crisis, the PRC government relaxed such requirements but, since early 2010, has begun to tighten such requirements again, partly in response to the recovery in the growth of the PRC economy. Any future actions and policies adopted by the PRC government could materially affect the Chinese economy, which may adversely affect the Group's business.

#### **PRC regulation of loans to, and direct investments in, PRC entities by offshore holding companies may delay or prevent the Company from using the proceeds of the Rights Issue to make loans or additional capital contributions to the Company's PRC operating subsidiaries.**

Loans to, or investments in, the PRC subsidiaries by offshore holding companies are subject to approval by or registration with the relevant governmental authorities in the PRC. The Company may decide to finance its subsidiaries by means of capital contributions. According to the relevant PRC regulations on foreign-invested enterprises in the PRC, depending on the total amount of investment, capital contributions to its PRC operating subsidiaries may be subject to the approval of the Ministry of Commerce of the PRC ("MOFCOM") or its local branches. The Company may not obtain these government approvals on a timely basis, if at all, with respect to future capital contributions by it to its subsidiaries. If the Company fails to receive such approvals, its ability to use the proceeds of the Rights Issue and to capitalise its operations in the PRC may be negatively affected, which could adversely affect the Group's liquidity and its ability to fund and expand the Group's business.

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## RISK FACTORS

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**The payment of dividends by the Company's operating subsidiaries in the PRC is subject to restrictions under PRC law.**

The Company operates its businesses through its operating subsidiaries in the PRC. The PRC laws require that dividends be paid only out of net profit, calculated according to the PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions. The PRC law requires foreign-invested enterprises, including some of the Company's subsidiaries in the PRC, to set aside part of their net profit as statutory reserves. These statutory reserves are not available for distribution as cash dividends. Since the availability of funds to fund the Company's operations and to service its indebtedness depends upon dividends received from these subsidiaries, any restrictions on the availability and usage of the Company's major source of funding may impact its ability to fund its operations and to service its indebtedness.

**Governmental control over currency conversion may limit the Company's ability to utilise its cash effectively.**

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. The Company receives the majority of its revenues in RMB. As a Cayman Islands incorporated holding company, the Company may rely on dividend payments from its PRC subsidiaries to fund any cash and financing requirements it may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange ("SAFE") by complying with certain procedural requirements. Therefore, the Company's PRC subsidiaries are able to pay dividends in foreign currencies to the Company without prior approval from the SAFE. But approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. This could affect the ability of the Company's PRC subsidiaries to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from the Group. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions.

**The Group may be treated as a PRC resident enterprise for PRC tax purposes, which may subject the Group to PRC income taxes on its worldwide income and PRC withholding taxes on interest the Group pays on the Shares.**

Under the Enterprise Income Tax Law ("EIT Law") and the implementation rules which both took effect on 1 January 2008, enterprises established outside the PRC whose "de facto management bodies" are located in China are considered "resident enterprises" for PRC tax purposes. The implementation rules define the term "de facto management body" as a management body that exercises full and substantial control and management over the business, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation specified certain criteria for the determination of the "de facto management bodies" for foreign enterprises that are controlled by PRC enterprises. However, there have been no official implementation rules regarding the determination of the "de facto management bodies" for foreign enterprises that are not controlled by PRC enterprises (including companies such as the members of the Group).

The Group holds shareholders' meetings and certain board meetings outside the PRC and keeps its shareholders' list outside the PRC. However, most of its directors and senior management are currently based inside the PRC and the Group keeps the books of account inside the PRC. The above elements may be relevant for the tax authorities to determine whether any member of the Group is a PRC resident enterprise for tax purposes. However, there is no clear standard published by the tax authorities for making such a determination.



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## RISK FACTORS

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Although it is unclear under PRC tax law whether the Group has a “de facto management body” located in China for PRC tax purposes, the Group takes the position that the Group is not a PRC resident enterprise for tax purposes. The Group cannot assure you that the tax authorities will agree with its position. If the Group is deemed to be a PRC resident enterprise for EIT purposes, the Group would be subject to the PRC enterprise income tax at the rate of 25% on its worldwide income. Furthermore, the Group would be obligated to withhold PRC income tax of up to 5% on payments of interest and certain other amounts on the Shares to investors that are non-resident enterprises located in Hong Kong or 10% on payments of interest and other amounts on the Shares to investors that are nonresident enterprises located outside Hong Kong, because the interest and other amounts would be regarded as being derived from sources within the PRC. In addition, if the Group fails to do so, the Group may be subject to fines and other penalties. Similarly, any gain realized by such non-resident enterprise investors from the transfer of the Shares would be regarded as being derived from sources within the PRC and would accordingly be subject to a 10% PRC withholding tax.

**PRC regulations relating to investment in offshore special purpose companies by PRC residents may subject the PRC resident shareholders of the Group to personal liability, limit the ability of the Group to contribute capital into or provide loans to its PRC subsidiary, limit the subsidiaries’ ability to increase their registered capital, pay dividends or otherwise distribute profits to it, or otherwise adversely affect it**

In October 2005, SAFE issued the Notice Regarding Certain Administrative Measures on Financing and Round-trip Investment by PRC Residents through Offshore Special Purpose Vehicles (“**Notice 75**”) which became effective on 1 November 2005. On 4 July 2014, Notice 75 was superseded by the Notice Regarding Certain Administrative Measures on Offshore Investing and Financing and Round-trip Investment by PRC Residents through Special Purpose Vehicles (“**Notice 37**”) issued by SAFE. Notice 37 requires PRC residents, including both legal and natural persons, to register with the local SAFE branch before making capital contribution to any company outside of China (an “**offshore SPV**”) with onshore or offshore assets and equity interests legally owned by PRC residents. In addition, any individual PRC resident who is the shareholder of an offshore SPV is required to update its SAFE registration with the local SAFE branch with respect to that offshore SPV in connection with change of basic information of the offshore SPV, such as its company name, business term, shareholding by individual PRC resident, merger, division and, with respect to the individual PRC resident, in case of any increase or decrease of capital in the offshore SPV, transfer of shares or swap of shares by the individual PRC resident.

Failure to comply with the required SAFE registration and updating requirements described above may result in restrictions being imposed on the foreign exchange activities of the PRC subsidiaries of such offshore SPV, including increase in registered capital of, payment of dividends and other distributions to, and capital inflows from, the offshore SPV. Failure to comply with Notice 37 may also subject relevant PRC residents or the PRC subsidiaries of such offshore SPV to penalties under PRC foreign exchange administration regulations for evasion of applicable foreign exchange restrictions.

**Interpretation of PRC laws and regulations involves uncertainty and the current legal environment in China could limit the legal protections available to investors.**

The Group’s business is primarily conducted in China and is governed by PRC laws and regulations. The Company’s principal operating subsidiaries are located in China and are subject to the PRC laws and regulations. The PRC legal system is a civil law system based on written statutes, and prior court decisions have little, if any, precedential value and can only be used as a reference. Additionally, PRC written laws are often principle-oriented and require detailed interpretations by the enforcement bodies to further apply and enforce such laws. Since 1979, the PRC legislature has promulgated laws and regulations in relation to economic matters such as

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## RISK FACTORS

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foreign investment, corporate organisation and governance, commercial transactions, taxation and trade, with a view to developing a comprehensive system of commercial law, including laws relating to property ownership and development. These laws, regulations and legal requirements are relatively new and are often changing, and their interpretation and enforcement involve significant uncertainties that could limit the reliability of the legal protections available to it. The Group cannot predict the effects of future developments in the PRC legal system. Depending on the governmental agency or how an application or case is presented to such agency, the Group may receive less favorable interpretations of laws and regulations than its competitors. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention. All these uncertainties may limit the legal protections available to foreign investors.

**It may be difficult to enforce any judgments obtained from non-PRC courts against the Company in the PRC.**

Substantially all of our assets are located within the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan or most other western countries. Therefore, it may be difficult for you to enforce against the Company in the PRC any judgments obtained from non-PRC courts.

### **RISKS RELATING TO THE RIGHTS ISSUE**

**Unless you take up all of your Nil Paid Rights and subscribe for the Rights Shares provisionally allotted to you, this offering will dilute your investment and proportionate ownership interest in the Company.**

If you choose not to take up your Nil Paid Rights fully, your proportionate ownership and voting interest in the Company will be diluted. Even if you elect to sell your Nil Paid Rights prior to the expiration of the applicable trading period, or such Nil Paid Rights are sold on your behalf, the consideration received may not be sufficient to compensate you fully for such dilution of your proportionate ownership and voting interest in the Company.

**The market prices of Shares may fluctuate and may fall below the Subscription Price prior to the expiration of the subscription period.**

Once you take up your Nil Paid Rights pursuant to this Rights Issue, you may not revoke such take up. Although the Subscription Price of HK\$2.50 for the Rights Shares represented a discount to the closing price of HK\$3.62 on the Last Trading Date, the market prices of the Shares may fall below the Subscription Price prior to the expiration of the subscription period as a result of, among other things, global or the PRC's economic or political conditions, the market's perception of the likelihood of completion of this offering, regulatory changes affecting the Group's operations and variations in the Group's financial results. Many of these factors are beyond the Group's control. If you take up your Nil Paid Rights and the market price of the Shares trades below the Subscription Price on the date the Rights Shares are issued to you in respect of such Nil Paid Rights, you will have purchased the Rights Shares at prices higher than the market price. Any decrease in market prices may continue after the completion of this offering and, as a result, you may not be able to sell such Rights Shares at a price equal to or greater than the Subscription Price.

**An active trading market for the Nil Paid Rights may not develop on the Stock Exchange or any over-the-counter trading market and, even if a market does develop, the trading price of the Nil Paid Rights may fluctuate.**

A trading period has been set for the Nil Paid Rights from Wednesday, 24 September 2014 to Friday, 3 October 2014 (both days inclusive). There is no assurance that an active trading market in the Nil Paid Rights

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## RISK FACTORS

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on the Stock Exchange will develop during the applicable trading period for Nil Paid Rights or that any over-the-counter trading market in the Nil Paid Rights will develop. Even if an active market develops, the trading price of the Nil Paid Rights may be volatile and subject to the same factors affecting the price of the Shares.

**The Subscription Price is not an indication of the Group's underlying value.**

Consistent with the customary practice for a rights issue, the Subscription Price was determined based on a discount to the recent closing price of the Shares prior to the issue of the Announcement. The Subscription Price does not bear a direct relationship to past operations, cash flow, earnings, financial conditions or any other established criteria for value and you should not consider the Subscription Price to be any indication of the Group's underlying value.

**You may not be able to participate in future rights issues or to elect to receive stock dividends and may experience dilution of your shareholdings.**

The Company may, from time to time, distribute additional rights to the Shareholders, including rights to acquire securities. The Company will not distribute rights to Shareholders, unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the applicable securities laws of the relevant jurisdictions, including the US Securities Act, with respect to all holders of the Company's Shares, or are registered or qualified under the applicable securities laws of relevant jurisdictions, including the US Securities Act. There can be no assurance that the Company will be able to establish an exemption from registration under the applicable securities laws of any jurisdictions, including the US Securities Act, and the Company is under no obligation to file a registration statement or other similar document with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective under the applicable securities laws of any jurisdictions, including the US Securities Act. Accordingly, Shareholders may be unable to participate in rights offerings and may experience dilution of their holdings as a result. In addition, if the Company is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, the Company will allow the rights to lapse, in which case Shareholders will receive no value for these rights.



## COUNTRY GARDEN HOLDINGS COMPANY LIMITED

### 碧桂園控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code : 2007)**

*Executive Directors:*

Mr. YEUNG Kwok Keung (*Chairman*)  
Ms. YANG Huiyan (*Vice Chairman*)  
Mr. MO Bin (*President*)  
Mr. ZHU Rongbin (*Associate President*)  
Mr. WU Jianbin (*Chief Financial Officer*)  
Ms. YANG Ziyang  
Mr. YANG Erzhu  
Mr. SU Rubo  
Mr. OU Xueming  
Mr. YANG Zhicheng  
Mr. XIE Shutai  
Mr. SONG Jun  
Mr. LIANG Guokun  
Mr. SU Baiyuan

*Registered Office:*

Cricket Square Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business  
in the PRC*

Country Garden Centre  
No.1 Country Garden Road  
Beijiao Town, Shunde District, Foshan  
Guangdong Province 528312  
The PRC

*Independent Non-executive Directors:*

Mr. LAI Ming, Joseph  
Mr. SHEK Lai Him, Abraham  
Mr. TONG Wui Tung, Ronald  
Mr. HUANG Hongyan  
Ms. HUANG Xiao  
Mr. LIU Hongyu  
Mr. MEI Wenjue  
Mr. YEUNG Kwok On

*Principal Place of Business  
in Hong Kong:*

Rooms 901–904  
9/F, Manulife Provident Funds Place  
345 Nathan Road  
Kowloon  
Hong Kong

22 September 2014

To *Qualifying Shareholders, and  
for information only, Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE OF RIGHTS SHARES  
AT THE SUBSCRIPTION PRICE OF HK\$2.50 EACH  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY FIFTEEN (15) EXISTING SHARES HELD ON THE RECORD DATE  
PAYABLE IN FULL ON ACCEPTANCE**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

On 27 August 2014, the Board announced that the Company proposes to raise not less than approximately HK\$3,180.0 million and not more than approximately HK\$3,180.5 million, before expenses, by way of a rights issue of not less than 1,271,988,736 Rights Shares and not more than 1,272,188,736 Rights Shares on the basis of one (1) Rights Share for every fifteen (15) existing Shares to the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$2.50 per Rights Share payable in full on acceptance.

The purpose of this Prospectus is to provide you with further information about the Rights Issue, including information on dealings, transfers and acceptance of the Rights Shares, and financial information and other information of the Group.

### 2. RIGHTS ISSUE

Details of the Rights Issue are set out below:

#### Issue statistics

Basis of the Rights Issue	:	one (1) Rights Share for every fifteen (15) existing Shares held on the Record Date
Subscription Price	:	HK\$2.50 per Rights Share
Number of Shares in issue	:	19,079,831,046 Shares as at the Latest Practicable Date
Number of Rights Shares to be issued under the Rights Issue	:	Not less than 1,271,988,736 Rights Shares (assuming no new Shares are allotted and issued pursuant to any exercise of the Vested Share Options on or before the Record Date) and not more than 1,272,188,736 Rights Shares (assuming new Shares are allotted and issued pursuant to the full exercise of the Vested Share Options on or before the Record Date)
Joint Underwriters	:	Goldman Sachs and J.P. Morgan ( <i>in alphabetical order</i> )
Minimum enlarged issued share capital of the Company upon completion of the Rights issue	:	20,351,819,782 Shares (assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)
Maximum enlarged issued share capital of the Company upon completion of the Rights issue	:	20,355,019,782 Shares (assuming new Shares are allotted and issued pursuant to the full exercise of the Vested Share Options on or before the Record Date and no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)
Funds raised before expenses	:	Approximately HK\$3,180.0 million to HK\$3,180.5 million

As at the Latest Practicable Date, there were outstanding Share Options granted in respect of 9,173,457 Shares, of which Share Options in respect of 3,000,000 Shares have been vested. Assuming the full

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## LETTER FROM THE BOARD

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exercise of the subscription rights attached to the Vested Share Options and new Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 3,000,000 new Shares would fall to be allotted and issued, which would result in the allotment and issue of 200,000 additional Rights Shares. Of the 200,000 additional Rights Shares, 199,998 Rights Shares will be allotted and issued to the Directors in the event there is a full exercise of the subscription rights attached to the Vested Share Options and such Directors decide to subscribe in full for such Rights Shares. Save for the outstanding Share Options as mentioned above, the Company has no other outstanding convertible securities, options or warrants in issue or other similar rights which confer any right to convert or exchange into or subscribe for Shares as at the Latest Practicable Date.

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 approximately 6.67% of the Company's issued share capital as at the Record Date and approximately 6.25% of the Company's issued share capital as enlarged by the Rights Issue.

### Subscription Price

The Subscription Price of HK\$2.50 per Rights Share, which is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or, where applicable, application for excess Rights Shares or when a renounee 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 30.9% to the closing price of HK\$3.62 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 31.5% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$3.65;
- (iii) a discount of approximately 32.3% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$3.69;
- (iv) a discount of approximately 29.6% to the theoretical ex-rights price of approximately HK\$3.55 per Share based on the closing price of HK\$3.62 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a discount of approximately 21.6% to the closing price per Share as quoted on the Stock Exchange on the Latest Practicable Date of approximately HK\$3.19.

Each Rights Share will have a par value of HK\$0.10.

The Subscription Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its shareholding held on the Record Date as well as to apply for additional Rights Shares in excess of their respective pro rata entitlements under the Rights Issue.

After taking into consideration the reasons for the Rights Issue as stated in the sections headed "Reasons for the Rights Issue" and "Use of Proceeds" of this Prospectus, the Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above), to be fair and reasonable to, and in the interests of, the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### **Basis of provisional allotment**

The basis of the provisional allotment will be one (1) Rights Share (in nil-paid form) for every fifteen (15) existing Shares held by Qualifying Shareholders on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares with the Registrar on or before the Latest Time for Acceptance.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the existing Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, the record dates of which are on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

### **Share Certificates for the Rights Shares and Refund Cheques**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, Share certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or around Wednesday, 15 October 2014 to those persons who have paid for and have accepted the Rights Shares, at their own risk. Applicant(s) will receive one Share certificate for all the Rights Shares allotted and issued to him/her/it. 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 around Wednesday, 15 October 2014 to the applicants at their own risk.

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of the Rights Shares will be refunded to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred without interest by means of cheques which are expected to be despatched by ordinary post at the risk of such Qualifying Shareholders to the registered addresses or such other persons on or before Wednesday, 15 October 2014.

### **Fractions of the Rights Shares**

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and 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 J.P. Morgan or its nominee/agent, and will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess applications by Qualifying Shareholders under the EAFs.

### **Application for excess Rights Shares**

Qualifying Shareholders will be entitled to apply, by way of excess application, for:

- (i) any unsold Rights Shares which would have been allotted to Non-Qualifying Shareholders had they been 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 adding together fractions of the Rights Shares.

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## LETTER FROM THE BOARD

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Application for excess Rights Shares can be made only by Qualifying Shareholders and only by completing an EAF (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 by the Latest Time for Acceptance or such later time as may be agreed between the Company and the Joint Underwriters.

Any excess Rights Shares will, at the discretion of the Directors, be allocated and allotted on a fair and reasonable basis and as far as practicable on a pro-rata basis by reference to the number of excess Rights Shares applied for under each application. No preference will be given to topping up odd lots to whole board lots.

The Board would like to note that, in relation to applications for excess Rights Shares, where Shares are held by a nominee (or which are held in CCASS), the Beneficial Owners of those Shares should note that the Board will regard a Registered Nominee as a single Shareholder. Accordingly, the arrangements regarding allocation of excess Rights Shares will not be extended to the Beneficial Owners individually. Beneficial Owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to 4:30 p.m. on the Last Day for Transfer.

Beneficial Owners whose Shares are held by a Registered Nominee and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on the Last Day for Transfer.

### **Odd Lot Matching Services**

To alleviate difficulties in odd lots trading in the Shares which may arise as a result of the Rights Issue, the Company has appointed BOCI Securities Limited to provide matching services to Shareholders who wish to top up or sell their odd lots of Shares during the period from 9:00 a.m. on Thursday, 16 October 2014 to 4:00 p.m. on Thursday, 30 October 2014 (both days inclusive). Shareholders who wish to take advantage of this facility to either dispose of or top up their odd lots to board lots of Shares may contact, directly or through their broker, Mr. LAW Pak Hong, Passe of BOCI Securities Limited at 18/F, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong (telephone: (852) 2718 9663 and facsimile: (852) 2970 0290) during such period.

Shareholders should note that successful matching of the sale and purchase of odd lots of Shares is not guaranteed and that the matching of odd lot of Shares is only done on a best effort basis by BOCI Securities Limited. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

### **Application for listing of and dealings in the Rights Shares**

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. The nil-paid and fully-paid Rights Shares are expected to be traded in board lots of 1,000 (as the Shares are currently traded on the main board of the Stock Exchange in board lots of 1,000). No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed on or dealt in any other stock exchange.

### **Stamp duty and other applicable fees and charges**

Dealings in the Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.



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## LETTER FROM THE BOARD

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### **Rights Shares will be eligible for admission into CCASS**

Subject to the approval for the 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 respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must:

- (a) be registered as a member of the Company on the Record Date; and
- (b) not be a Non-Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant Share certificate(s)) must be lodged with the Registrar,

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

by 4:30 p.m. (Hong Kong time) on the Last Day for Transfer.

The Company expects to despatch the Rights Issue Documents to Qualifying Shareholders on or before the Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable and legally permitted, the Company will send copies of this Prospectus to Non-Qualifying Shareholders for their information only but will not send any PAL or EAF to them.

Holders of Vested Share Options who wish to participate in the Rights Issue should exercise the subscription rights in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before the Record Date.

The latest time for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). 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**

Non-Qualifying Shareholders are Overseas Shareholders and Shareholders or Beneficial Owners who are otherwise known by the Company to be residents in places outside Hong Kong, and to whom the Directors, based on enquiries made by the Directors, consider it necessary or expedient to exclude from the Rights Issue, on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body or stock exchange in those places. The Rights Issue has not been, and will not be, extended to the Non-Qualifying Shareholders.

In accordance with Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries with the Company's overseas legal advisers regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions (including the Specified Territories) and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Rights Shares to the Shareholders or Beneficial Owners in those territories.

Based on the register of members of the Company as at the Latest Practicable Date, the Company had Shareholders with addresses in Australia, Canada, Macau, Malaysia, Taiwan, the PRC and the United States. Based on the legal advice of the Company's legal advisers in relation to the laws of the relevant jurisdictions in the Specified Territories and having considered the circumstances, the Directors have formed the view that the Rights Issue can be extended to the Overseas Shareholders in Macau, Malaysia, Taiwan and the PRC (the "**Accepted Jurisdictions**") without compliance (or minimal compliance is required) with local regulatory requirements.

Based on the legal advice of the Company's legal advisers in relation to the laws of the Specified Territories and having considered the circumstances, the Directors have formed the view that, other than those Accepted Jurisdictions or subject to certain limited exceptions as described below, it is necessary or expedient not to offer the Nil Paid Rights or the Rights Shares to the other Overseas Shareholders in the Specified Territories due to the time and costs involved in the registration or filing of this Prospectus and/or approval required by the relevant authorities in the Specified Territories and/or additional steps the Company and/or Shareholders and/or Beneficial Owners need to take to comply with the local legal requirements and/or other requirements to be satisfied in order to comply with relevant local legal or regulatory requirements in the Specified Territories.

Accordingly, for the purposes of the Rights Issue, the Non-Qualifying Shareholders are:

- (i) Shareholders whose name(s) appeared in the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in any of the Specified Territories, except for those Shareholders in the Accepted Jurisdictions or those Shareholders who are fulfilled, to the satisfaction of the Company, the relevant requirements specified in the section headed "Non-Qualifying Shareholders – Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue" below; and
- (ii) any Shareholder(s) or Beneficial Owner(s) at that time who is/are otherwise known by the Company to be residents in any of the Specified Territories (other than the Accepted Jurisdictions), except for those Shareholders or Beneficial Owners who are fulfilled, to the satisfaction of the Company, the relevant requirements specified in the section headed "Non-Qualifying Shareholders – Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue" below.

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## LETTER FROM THE BOARD

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Notwithstanding any other provision in the Rights Issue Documents, the Company reserves the right to permit any Shareholder or Beneficial Owner (including a Shareholder or Beneficial Owner in any of the Specified Territories) to participate in the Rights Issue and take up his/her/its entitlement to 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 or requirements giving rise to the restrictions in question.

Upon enquiries with the Company's overseas legal advisers regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions (including the Specified Territories) and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Rights Shares to the Shareholders or Beneficial Owners in those territories, the Company also reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws or regulations of any jurisdiction.

Receipt of any of the Rights Issue Documents or the crediting of Nil Paid Rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions where the Directors, based on enquiries made by the Directors, consider it necessary or expedient not to extend the Rights Issue or in any territory in which it would be unlawful to extend the Rights Issue, and, in those circumstances, the Rights Issue Documents must be treated as sent for information only and should not be copied or redistributed. Any person (including, without limitation, any agent, custodian, nominee and trustee) who receives a copy of any of the Rights Issue Documents or whose stock account in CCASS is credited with Nil Paid Rights should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Nil Paid Rights to any person in, any of the Specified Territories or any territory in which it would be unlawful to extend the Rights Issue. If any of the Rights Issue Documents is received by, or any Nil Paid Rights are credited to the stock account in CCASS of, any person in any such territory or his/her agent or nominee, he/she should not take up such Nil Paid Rights or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer such Nil Paid Rights in CCASS (if applicable) unless such person is able to demonstrate to the satisfaction of the Company, or the Company determines at its absolute discretion, that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, any custodian, nominee and trustee) who distributes or forwards this Prospectus or a PAL and/or an EAF in, into or from any of the Specified Territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

It is the responsibility of any person (including but not limited to nominee, agent and trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself or herself or itself as to the full observance of the laws and regulations of the relevant territory and jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any such person of the Rights Shares or the Nil-Paid Rights will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. For the avoidance of doubt, HKSCC Nominees Limited, who subscribes the Rights Shares on behalf of CCASS Participants, is not subject to the above representations and warranty. Shareholders should consult their professional advisers if in doubt.

Arrangements have been made in respect of those Shareholders whose name(s) appeared on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in any of the Specified Territories, such that the Rights Shares which would otherwise have been provisionally allotted to them have instead been provisionally allotted (in nil-paid form) to J.P. Morgan or its nominee/agent, who will sell such Rights Shares in the market in their nil-paid form as soon as practicable after dealings in the Nil Paid Rights commence if a premium (net of expenses) can be obtained. Proceeds of such sale,

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## LETTER FROM THE BOARD

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less expenses and stamp duty, above HK\$100 will be paid to those Non-Qualifying Shareholders who were registered Shareholders as at the close of business on the Record Date in Hong Kong dollars (pro-rata to their respective shareholdings on the Record Date). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold Nil Paid Rights to which those Non-Qualifying Shareholders who are registered Shareholders as at the close of business on the Record Date would otherwise have been entitled will be available for excess application by Qualifying Shareholders under the EAFs. Non-Qualifying Shareholders who are referred to in paragraph (ii) above (but not being persons referred to in paragraph (i) above) are not entitled to participate in the arrangements set out in this paragraph.

### **Limited categories of persons in the Specified Territories who may be able to take up their Nil Paid Rights and subscribe for the Rights Shares under the Rights Issue**

Notwithstanding what is said in the section headed “Non-Qualifying Shareholders” above, the following limited categories of persons in the Specified Territories may be able to take up their rights under the Rights Issue:

- (i) Shareholders and Beneficial Owners in the United States are generally Non-Qualifying Shareholders. However, Shareholders and Beneficial Owners in the United States whom the Company reasonably believes are QIBs may be able to take up their Nil Paid Rights and subscribe for Rights Shares being offered in the Rights Issue in transactions exempt from registration requirements under the US Securities Act, provided that they fulfil the relevant requirements to the satisfaction of the Company; and
- (ii) the Company reserves the absolute discretion in determining whether to allow any participations in the Rights Issue as well as the identity of the persons who may be allowed to participate in any of the Specified Territories. Shareholders and Beneficial Owners in any of the Specified Territories may still participate in the Rights Issue, subject to the Company’s absolute discretion, provided that such Shareholders and Beneficial Owners are able to provide the Company with evidence, to the Company’s satisfaction, that they fulfil the relevant requirements in the relevant jurisdiction(s). For Beneficial Owners in any of the Specified Territories who want to participate in the Rights Issue, please contact your intermediary to make the necessary arrangements.

### **Procedures for Acceptance and Payment or Transfer**

#### *General*

Any person (including, without limitation, any custodian, nominee and trustee outside Hong Kong) wishing to take up the Nil Paid Rights or the Rights Shares under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders whose registered addresses are in any of the Specified Territories or who are holding Shares on behalf of persons with such addresses is drawn to the section headed “Non-Qualifying Shareholders” above.

Each subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to each of the Company and the Joint Underwriters and to any person acting on their behalf, unless the Company and the Joint Underwriters waive such requirement in their respective sole discretion in relation to the relevant representation(s) and/or warranty(ies) given to each of them:

- he/she/it was a Shareholder as at the Record Date, or he/she/it lawfully acquired or may lawfully acquire Nil Paid Rights, directly or indirectly, from such a person;

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## LETTER FROM THE BOARD

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- he/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the Nil Paid Rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- subject to certain exceptions, he/she/it is not resident or located in, or a citizen of, the United States or any other Specified Territory;
- subject to certain exceptions, he/she/it is not accepting an offer to acquire, take up or exercise the Nil Paid Rights or subscribe for or accept Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of the United States at the time the instruction to accept was given;
- he/she/it is not doing so for the account of any person who is located in the United States, unless:
  - (a) the instruction to acquire or take up the Nil Paid Rights or to subscribe for or accept Rights Shares was received from a person outside the United States; and
  - (b) the person giving such instruction has confirmed that it (i) has the authority to give such instruction and (ii) either (A) has investment discretion over such account; or (B) is an investment manager or investment company that is acquiring the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the Nil Paid Rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring or taking up Nil Paid Rights or subscribing for or accepting Rights Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such Nil Paid Rights or Rights Shares into the United States or any other Specified Territory; and
- he/she/it understands that neither the Nil Paid Rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the Nil Paid Rights and the Rights Shares are being distributed and offered outside the United States in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the Nil Paid Rights and the Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties. Notwithstanding the representations above, the Company may offer the Nil Paid Rights or the Rights Shares in the United States to persons whom the Company reasonably believes to be QIBs in transactions exempt from the registration requirements under the US Securities Act, provided that such persons fulfil the relevant requirements to the satisfaction of the Company.

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## LETTER FROM THE BOARD

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### *Action to be taken by registered Shareholders*

#### *Subscription for all Rights Shares provisionally allotted*

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles such Qualifying Shareholder to subscribe for the number of the Rights Shares shown thereon. If Qualifying Shareholder(s) wish(es) to exercise his/her/its/their right to subscribe for all the Rights Shares provisionally allotted to him/her/it/them as specified in the PAL, he/she/it/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by not later than 4:00 p.m. on the Latest Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Country Garden Holdings Company Limited – PAL**" and crossed "**Account Payee Only**".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on the Latest Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by Qualifying Shareholders. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to such warranty and representation. Any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. If the Joint Underwriters exercise their right to terminate the Underwriting Agreement before the Latest Termination Time (expected to be 4:00 p.m. on Monday, 13 October 2014) and/or if any of the conditions mentioned in the section headed "Underwriting Arrangements – Conditions of the Rights Issue" below is not fulfilled and/or waived (as the case may be), the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest by means of cheques despatched by ordinary post at the risk of such persons as soon as practicable thereafter.

#### *Transfers and "splitting" of Nil Paid Rights*

The Nil Paid Rights can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its Nil Paid Rights or to transfer his/her/its Nil Paid Rights to more than one person, the original PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of Nil Paid Rights to be comprised in each split PAL (which, in aggregate, should

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## LETTER FROM THE BOARD

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be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later than 4:30 p.m. on Friday, 26 September 2014 to the Registrar, who will then cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second business day after the surrender of the original PAL. This process is commonly known as “splitting” the Nil Paid Rights.

Having “split” the Nil Paid Rights, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its Nil Paid Rights under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the “Form of Transfer” (Form B) in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its Nil Paid Rights. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance with the Registrar to effect the transfer by no later than 4:00 p.m. on the Latest Acceptance Date.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

*Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories*

Any registered Shareholder accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or transferring the PAL, or requesting registration of the relevant Nil Paid Rights or the Rights Shares from within any of the Specified Territories; (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a nondiscretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any of the Specified Territories. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance may involve a breach of the laws of the relevant places or Specified Territories, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

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## LETTER FROM THE BOARD

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### ***Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)***

#### *Subscription for Rights Shares provisionally allotted and transfers and “splitting” of Nil Paid Rights*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your Nil Paid Rights or “split” your Nil Paid Rights and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

#### *Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)*

Any Beneficial Owner accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of the relevant Nil Paid Rights or the Rights Shares from within any of the Specified Territories; (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a nondiscretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any of the Specified Territories.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance may involve a breach of the laws or other regulatory requirements of the relevant places, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

### ***Action to be taken by Beneficial Owners holding interests in Shares through CCASS***

#### *Subscription for Rights Shares provisionally allotted and transfers and “splitting” of Nil Paid Rights*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your Nil



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## LETTER FROM THE BOARD

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Paid Rights or “split” your Nil Paid Rights and accept part of your provisional allotment and sell the remaining part, you should (unless you are an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

*Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS*

Any Beneficial Owner holding interests in Shares through CCASS and any CCASS Participant who instructs its Intermediary to make an acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s acceptance will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of the Nil Paid Rights or the Rights Shares from within any of the Specified Territories, (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire Rights Shares; (iii) such person is not acting on a nondiscretionary basis for a person located within any of the Specified Territories at the time the instruction to accept was given; and (iv) such person is not acquiring Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Shares into any of the Specified Territories. For the avoidance of doubt, HKSCC Nominees Limited, who subscribes for the Rights Shares on behalf of CCASS Participants, is not subject to the above representations and warranties.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the Specified Territories and which may involve a breach of the laws or other regulatory requirements of the relevant places or any instruction which otherwise appears to the Company may involve a breach of the laws or other regulatory requirements of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirements; or which purports to exclude the representation and/or warranty required by the paragraph immediately above.

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## LETTER FROM THE BOARD

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### Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for:

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

Application for excess Rights Shares can be made only by Qualifying Shareholders. If a Qualifying Shareholder wishes to apply for excess Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign an EAF (in accordance with the instructions printed thereon) and lodge the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Country Garden Holdings Company Limited – EAF**" and crossed "**Account Payee Only**". The Company may at its discretion treat an EAF as valid or binding on the person(s) by himself/herself/itself/themselves or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis and as far as practicable on a pro rata basis by reference to the number of excess Rights Shares applied for under each application. Reference will only be made to the number of excess Rights Shares being applied for, and no reference will be made to Rights Shares comprised in applications under any PAL or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the full number of such excess Rights Shares applied for. No preference will be given to topping up odd lots to whole board lots.

The Directors consider the above basis for allocation to be fair and reasonable.

#### *Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories*

What is set out under the heading "Action to be taken by registered Shareholders – Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories" above in relation to transfer and acceptance of the Nil Paid Rights and Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

#### *Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares*

##### *Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner

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## LETTER FROM THE BOARD

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with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

*Important notice and representations, warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)*

What is set out under the heading “Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) – Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)” above in relation to transfer and acceptance of the Nil Paid Rights and Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

*Action to be taken by Beneficial Owners holding interest in Shares through CCASS who wish to apply for excess Rights Shares*

*Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the “Expected Timetable” in this Prospectus as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your intermediary in order to allow your intermediary sufficient time to ensure that your instructions are given effect. The procedure for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for application for excess Rights Shares by Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with the “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS to provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares.

*Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS*

What is set out under the heading “Action to be taken by Beneficial Owners holding interests in Shares through CCASS – Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS” above in relation to transfer and acceptance of the Nil Paid Rights and Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

*Important notice for Beneficial Owners*

Beneficial Owners with their Shares held by a Registered Owner, or which are held in CCASS, should note that the Board will regard the Registered Owner (including HKSCC Nominees Limited) as a single Shareholder

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## LETTER FROM THE BOARD

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according to the register of members of the Company. Accordingly, the Beneficial Owners should note that the aforesaid arrangement for the allocation of the excess Rights Shares will not be extended to the Beneficial Owners individually (including those Beneficial Owners holding the Shares through HKSCC Nominees Limited). HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC considers fair and appropriate, which is pursuant to the allocation basis as stipulated in Rules 8.10.4(ix) of the CCASS Operational Procedures.

If no excess Rights Shares are allotted to the Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Wednesday, 15 October 2014. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Wednesday, 15 October 2014.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with EAF and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to such warranty and representation. Completion and return of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for the amount due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriting Agreement is terminated and/or if any of the conditions in the section headed "Underwriting Arrangements – Conditions of the Rights Issue" below is not fulfilled and/or waived (as the case may be), the monies received in respect of applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

### **Closure of the register of members**

The register of members of the Company will be closed from Wednesday, 17 September 2014 to Friday, 19 September 2014 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

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## LETTER FROM THE BOARD

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### 3. UNDERWRITING ARRANGEMENT

#### Underwriting Agreement

Date	: 27 August 2014
Joint Underwriters	: Goldman Sachs and J.P. Morgan ( <i>in alphabetical order</i> )
Number of Underwritten Shares	: The Rights Shares (other than the Committed Shares) will be fully underwritten by the Joint Underwriters
Joint Underwriters' Commission	: 1.75% of the aggregate subscription price payable in respect of the Underwritten Shares determined on the Record Date, which was based on arm's length negotiation among the parties. The Directors believe that the Joint Underwriters' commission and other terms of the Underwriting Agreement are on normal commercial terms and are fair and reasonable.

Subject to the fulfilment of the conditions (or any waiver, as the case may be, by the Joint Underwriters) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Joint Underwriters have agreed to subscribe or procure the subscription for all Underwritten Shares that are not otherwise taken up.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Joint Underwriters and their respective ultimate holding companies are Independent Third Parties.

The Directors consider that the terms of the Underwriting Agreement including the rate of commission are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned.

#### Conditions of the Rights Issue

The Rights Issue is conditional on (i) the satisfaction (or, as applicable, waiver) of the conditions of the Underwriting Agreement referred to in this section, and (ii) the Underwriting Agreement not being terminated in accordance with its terms. The obligations of the Joint Underwriters under the Underwriting Agreement are conditional upon:

- (i) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully paid forms) being granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange 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 revoked prior to the Latest Time for Termination;
- (ii) compliance by the Company with its obligations under the Underwriting Agreement in relation to making the Rights Issue and allotting and offering the Rights Shares;
- (iii) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied not later than the business day prior to the first day of dealings in the nil-paid Rights Shares as set out in this Prospectus and no notification

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## LETTER FROM THE BOARD

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having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;

- (iv) the Stock Exchange issuing a certificate authorising registration of this Prospectus with the Hong Kong Companies Registry under section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than a business day before the date of this Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (v) a duly certified copy of this Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than a business day before the date of this Prospectus, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than a business day before the date of this Prospectus;
- (vi) posting of the Rights Issue Documents to the Qualifying Shareholders not later than the date of this Prospectus (or such later time and/or date as the Company and the Joint Underwriters may agree in writing);
- (vii) compliance by the Registered Committed Shareholders with their obligations under the Irrevocable Undertakings by the times specified, and the Irrevocable Undertakings not having been terminated;
- (viii) receipt by the Joint Underwriters (in such form and substance as satisfactory to them) of the deliverables as provided in the Underwriting Agreement by such timing as set out in the Underwriting Agreement;
- (ix) the warranties given by the Company under the Underwriting Agreement remaining true and accurate in all respects and none of the undertakings of the Company having been breached by any respect by the Latest Time for Termination;
- (x) any Joint Underwriter not having any cause to believe that any breach of the warranties or undertakings of the Company under the Underwriting Agreement has occurred or may occur by the Latest Time for Termination;
- (xi) a matter not having arisen which would reasonably be expected to give rise to any breach or a claim under the Underwriting Agreement; and
- (xii) compliance by the Company with all of its obligations under the Underwriting Agreement in all material respects.

The Company has undertaken to use its best endeavours to procure the fulfilment of each of the conditions by the due time and/or date referred to in each case (or if no date is specified, by the Latest Time for Termination) and to procure that each of the conditions is fulfilled in sufficient time so that the Latest Time for Termination falls on or before the Long Stop Date and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by the Joint Underwriters and the Stock Exchange in connection with the making of the Rights Issue and the listing of the Rights Shares.

If any of the above conditions of the Underwriting Agreement is not fulfilled, or waived if permitted by the terms of the Underwriting Agreement in whole or in part by the Joint Underwriters, by the specified time and

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## LETTER FROM THE BOARD

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date or the date on which the Latest Time for Termination occurs, the Underwriting Agreement shall terminate (save in respect of certain rights and obligations under the Underwriting Agreement) and the Rights Issue will not proceed.

The Joint Underwriters shall have the right, in their absolute discretion, by giving written notice to the Company on or before the latest time at which, or the latest day on which, any of the above conditions of the Underwriting Agreement may be fulfilled:

- (i) to extend the deadline for the fulfilment of any condition by such time or number of days or in such manner as the Joint Underwriters may determine; or
- (ii) to waive such condition (other than conditions (i), (iii), (iv) and (v) above), and such waiver may be made subject to such terms and conditions as the Joint Underwriters may determine.

As at the Latest Practicable Date, none of the conditions has been satisfied.

### **Lock up provisions under the Underwriting Agreement**

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 from the Closing Date, except with the prior written consent of the Joint Underwriters (such consent not to be unreasonably withheld or delayed), the Company shall not: (i) except for (a) the Rights Shares and (b) any options which may be granted under the Share Option Scheme, allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, grant or sell any option, warrant or right to subscribe for or purchase, either directly or indirectly, conditionally or unconditionally, any Shares or any interests in Shares or any securities which are convertible into or exercisable or exchangeable for any Shares or any interests in Shares; (ii) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any Shares; (iii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) and (ii) above; or (iv) announce any intention to enter into or effect any such transaction described in (i), (ii) or (iii) above.

### **Termination of the Underwriting Agreement**

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

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

- (i) any matter or circumstance arises as a result of which any of the conditions set out in the section headed “Conditions of the Rights Issue” of this Prospectus has become incapable of satisfaction as at the required time; or
- (ii) any breach of any of the warranties or certain undertakings given by the Company under the Underwriting Agreement comes to the knowledge of any 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 any matter has arisen which would reasonably be expected to give rise to such a breach or a claim in respect of such warranties or undertakings; or

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**LETTER FROM THE BOARD**

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- (iii) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the times on which the warranties given by the Company under the Underwriting Agreement are deemed to be given, would have rendered any of those warranties untrue, incorrect or misleading in any material respect; or
- (iv) any statement contained in this Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if this Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (v) the Company is required to produce a supplementary Prospectus; or
- (vi) there is any material change or prospective change in the condition, results of operations, prospects, management, business, shareholders' equity or in the financial or trading position of any member of the Group which, in the sole opinion of the Joint Underwriters, is or may be materially adverse in the context of the Rights Issue; or
- (vii) permission to deal in and listing of all the Right Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or
- (viii) 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):
  - (a) any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, the United States or the European Union (or any member thereof); or
  - (b) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong, the United States or the European Union (or any member thereof); or
  - (c) the declaration of a banking moratorium by authorities in the PRC, Hong Kong, United States or the European Union (or any member thereof) occurring due to exceptional financial circumstances or otherwise; or
  - (d) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the London Stock Exchange plc, the New York Stock Exchange, Inc. or NASDAQ, or any major disruption of any securities settlement or clearing services in Hong Kong; or
  - (e) any suspension of dealings in the Shares (other than pending publication of announcements in respect of the Rights Issue or transactions pursuant to Chapter 14 and/or 14A of the Listing Rules which are conducted in the ordinary and normal course of business of the Company); or



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## LETTER FROM THE BOARD

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- (f) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong, the PRC or any other place in which any member of the Group conducts or carries on business,

the effect of which events or circumstances referred to above individually or in the aggregate (in the sole opinion of the Joint Underwriters) (x) is or would be materially adverse to, or prejudicially affects or would prejudicially affect, the Group as a whole or its prospects or the Rights Issue or (y) makes or may make it impracticable, inadvisable or inexpedient to proceed with the Rights Issue.

**In the event the Joint Underwriters exercise their right to terminate the Underwriting Agreement prior to the Latest Time for Termination, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights or obligations under the Underwriting Agreement) and no party will have any claim against any other for costs, damages, compensation or otherwise provided that such termination shall be without prejudice to the rights of the Company and the Joint Underwriters in respect of any breach of the Underwriting Agreement occurring prior to such termination.**

**If the Joint Underwriters exercise such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Joint Underwriters.**

### **Irrevocable Undertakings by the Registered Committed Shareholders**

As at the Latest Practicable Date, the Registered Committed Shareholders hold, directly or indirectly, an aggregate of 11,350,133,388 Shares, representing approximately 59.49% of the issued share capital of the Company. Each Registered Committed Shareholder has provided an Irrevocable Undertaking to the Company and each of the Joint Underwriters that subject to the Rights Issue not being terminated, by no later than 10:00 a.m. on the Latest Acceptance Date, each of the Registered Committed Shareholders will (i) accept the Committed Shares provisionally allotted to it under the Rights Issue and it will lodge the PALs together with payment of the Irrevocable Subscription Amount in accordance with the terms of the Rights Issue Documents; and (ii) not dispose of or transfer (directly or indirectly, including without limitation by the creation of any option, charge or encumbrance or rights over or in respect of) its legal and beneficial interests in any of the Shares owned by it as at the date of the Irrevocable Undertaking and shall ensure and procure that there shall be no change to the registered owner of such Shares from the date of the Irrevocable Undertaking up to and including the Record Date.

Pursuant to each Irrevocable Undertaking, each of the Registered Committed Shareholders has undertaken to the Company and the Joint Underwriters that from the date of the Irrevocable Undertaking up to 90 calendar days after the first day of trading of the Rights Shares on the Stock Exchange, each of the Registered Committed Shareholders will not, and will procure that none of its subsidiaries which hold the Rights Shares will:

- (i) sell, offer to sell, contract or agree to sell, lend, grant any option, warrant, contract or right to purchase, purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, directly or indirectly, conditionally or unconditionally, any Share held by, or any Rights Shares provisionally allotted to, the Registered Committed Shareholder or its relevant subsidiaries (as the case may be) or any interest therein (including, without limitation, any securities which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any such Shares); or

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**LETTER FROM THE BOARD**

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- (ii) enter into any swap or other transaction that transfers, in whole or in part, the economic consequences of ownership of any such Shares; or
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraph (i) or (ii) above; or
- (iv) offer to or agree to or announce any intention to enter in or effect any transaction described in paragraph (i), (ii) or (iii) above,

in each case, whether any of the transactions described in paragraph (i), (ii) or (iii) above is to be settled by delivery of Shares, in cash or otherwise, and PROVIDED THAT each Irrevocable Undertaking shall not prohibit or restrict any:

- (a) allotment and issue of Shares pursuant to the exercise of the Share Options under the Share Option Scheme; or
- (b) sale, transfer or disposal of Shares (or transaction referred to in paragraph (ii) or (iii) above or agreement or announcement referred to in paragraph (iv) above) among the Registered Committed Shareholder and its wholly-owned subsidiaries and such transferee(s) agrees to receive and hold the Shares subject to the provisions of the Irrevocable Undertaking; or
- (c) sale, transfer or other disposal (or any transaction referred to in paragraph (ii) or (iii) above or agreement or announcement referred to in paragraph (iv) above) pursuant to any security interest, charge or other encumbrance or rights over or in respect of any Shares in which the Registered Committed Shareholder is or may become (or any of its subsidiaries are or may become) interested which is either in existence as at the date of the Irrevocable Undertaking or which is or may be granted to or created in favour of the Joint Underwriters or their respective affiliates providing finance to enable the Registered Committed Shareholder and/or its subsidiaries to subscribe for Rights Shares; or
- (d) grant or creation of any such security interest, charge or encumbrance or rights over or in respect of any Shares in which the Registered Committed Shareholder is or may become (or any of its subsidiaries are or may become) interested in favour of the Joint Underwriters or their respective affiliates providing finance to enable the Registered Committed Shareholder and/or its subsidiaries to subscribe for the Rights Shares.

For the avoidance of doubt, the lock-up arrangements as described above are not applicable to any subsequent disposal of the Pledged Shares by the Syndicate Members (if applicable) under the Loan Facility as particularly described in the paragraph headed “14. The Loan Facility” of this section. Any sale of the Pledged Shares may cause the price of the Shares to decline.

Save for the Irrevocable Undertakings by each of the Registered Committed Shareholders, the Company has not obtained any undertakings from other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them under the Rights Issue.

**LETTER FROM THE BOARD**

**4. EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDINGS IN THE COMPANY**

**Changes in the Shareholding Structure of the Company arising from the Rights Issue**

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

**Scenario 1:**

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue:

Shareholders	As at the Latest Practicable Date (Notes 1 and 2)		Shareholding immediately after completion of the Rights Issue (Note 2)			
	Number of Shares	Approximate %	Assuming no Rights Shares have been taken up by the Qualifying Shareholders other than the Registered Committed Shareholders		Assuming all of the Rights Shares have been taken up by the Qualifying Shareholders	
			Number of Shares	Approximate %	Number of Shares	Approximate %
<i>Shareholders:</i>						
Registered Committed Shareholders						
(Note 3) . . . . .	11,350,133,388	59.49	12,106,808,946	59.49	12,106,808,946	59.49
Automic Group Limited						
(Note 4) . . . . .	1,019,733,743	5.34	1,019,733,743	5.01	1,087,715,992	5.34
<i>Directors:</i>						
Mr. YEUNG Kwok						
Keung (Note 5) . . . . .	66,060,000	0.35	66,060,000	0.32	70,464,000	0.35
Mr. MO Bin (Note 6) . . . . .	3,000,000	0.016	3,000,000	0.015	3,200,000	0.016
Mr. ZHU Rongbin . . . . .	2,068,000	0.011	2,068,000	0.010	2,205,866	0.011
Mr. WU Jianbin . . . . .	3,000,000	0.016	3,000,000	0.015	3,200,000	0.016
Mr. SU Rubo (Note 7) . . . . .	749,437,312	3.93	749,437,312	3.68	799,399,799	3.93
Mr. OU Xueming						
(Note 8) . . . . .	772,144,068	4.05	772,144,068	3.79	823,620,339	4.05
Mr. XIE Shutai						
(Note 9) . . . . .	844,937	0.004	844,937	0.004	901,266	0.004
Mr. LIANG Guokun						
(Note 10) . . . . .	1,570,254	0.008	1,570,254	0.008	1,674,937	0.008
Mr. SU Baiyuan						
(Note 11) . . . . .	855,739	0.004	855,739	0.004	912,788	0.004
<b>Sub-total</b> . . . . .	<b>13,968,847,441</b>	<b>73.21</b>	<b>14,725,522,999</b>	<b>72.35</b>	<b>14,900,103,933</b>	<b>73.21</b>
Joint Underwriters						
(Note 12) . . . . .	—	—	515,313,178	2.53	—	—
Public . . . . .	5,110,983,605	26.79	5,110,983,605	25.11	5,451,715,849	26.79
<b>Total</b> . . . . .	<b>19,079,831,046</b>	<b>100.00</b>	<b>20,351,819,782</b>	<b>100.00</b>	<b>20,351,819,782</b>	<b>100.00</b>

*Notes:*

- Based on the information in the disclosure of interest register of the Company.
- Certain figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- The 11,350,133,388 Shares are held as to 9,167,484,388 Shares by Concrete Win, as to 66,626,000 Shares by Golden Value, as to 16,023,000 by Jolly Faith and as to 2,100,000,000 Shares by Genesis Capital. Concrete Win, Golden Value and Genesis Capital are wholly owned by Ms. YANG Huiyan, an executive Director and the controlling shareholder of the Company. Jolly Faith is owned as to 50% by Ms. YANG Huiyan and as to 50% by Mr. YEUNG Kwok Keung, an executive Director.

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## LETTER FROM THE BOARD

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4. Automic Group Limited is legally and beneficially owned as to 100% by Mr. YANG Erzhu, an executive Director. Therefore, Mr. YANG Erzhu is deemed to be interested in 1,019,733,743 Shares through his interests in Automic Group Limited.
5. The 66,060,000 Shares held by Mr. YEUNG Kwok Keung, an executive Director, represent shares held by Kenpac Investments Limited and Jolly Faith in which Mr. YEUNG Kwok Keung beneficially owned as to 90% and 50% of the issued share capital, respectively.
6. The 3,000,000 Shares represent Shares in which Mr. MO Bin has a beneficiary interest in a trust.
7. The 749,437,312 Shares held by Mr. SU Rubo, an executive Director, represent Shares held by Easy Hope Holdings Limited, a company in which Mr. SU Rubo beneficially owned as to 100% of the issued share capital.
8. The 772,144,068 Shares held by Mr. OU Xueming, an executive Director, represent Shares held by Highlander Group Limited, a company in which Mr. OU Xueming beneficially owned as to 100% of the issued share capital.
9. These shares represent Shares held by Ms. YANG Congrong being the spouse of Mr. XIE Shutai, an executive Director.
10. These shares represent Shares held by Ms. MA Minhua being the spouse of Mr. LIANG Guokun, an executive Director.
11. Out of the 855,739 Shares, 419,643 Shares held by Ms. LIU Qing being the spouse of Mr. SU Baiyuan, an executive Director.
12. Pursuant solely to the Joint Underwriters' respective underwriting obligations under the Underwriting Agreement and excluding and other interests.

**LETTER FROM THE BOARD**

**Scenario 2:**

Assuming no new Shares have been allotted and issued other than those falling to be issued upon full exercise of the Share Options and no Shares being repurchased by the Company before the Record Date:

Shareholders	Shareholding immediately after completion of the Rights Issue (Note 2)					
	As at the Latest Practicable Date (Notes 1 and 2)		Assuming no Rights Shares have been taken up by the Qualifying Shareholders other than the Registered Committed Shareholders		Assuming all of the Rights Shares have been taken up by the Qualifying Shareholders	
	Number of Shares Approximate %	Number of Shares Approximate %	Number of Shares Approximate %	Number of Shares Approximate %		
<i>Shareholders:</i>						
<i>Registered Committed</i>						
Shareholders (Note 3) . . . .	11,350,133,388	59.48	12,106,808,946	59.48	12,106,808,946	59.48
Automic Group Limited (Note 4) . . . . .	1,019,733,743	5.34	1,019,733,743	5.01	1,087,715,992	5.34
<i>Directors:</i>						
Mr. YEUNG Kwok Keung (Note 5) . . . . .	66,060,000	0.35	66,060,000	0.32	70,464,000	0.35
Mr. MO Bin (Note 6) . . . . .	3,000,000	0.016	3,000,000	0.015	3,200,000	0.016
Mr. ZHU Rongbin . . . . .	2,068,000	0.011	2,068,000	0.010	2,205,866	0.011
Mr. WU Jianbin . . . . .	3,000,000	0.016	3,000,000	0.015	3,200,000	0.016
Mr. SU Rubo (Note 7) . . . . .	749,437,312	3.93	749,437,312	3.68	799,399,799	3.93
Mr. OU Xueming (Note 8) . . . . .	772,144,068	4.05	772,144,068	3.79	823,620,339	4.05
Mr. XIE Shutai (Note 9) . . . . .	844,937	0.004	844,937	0.004	901,266	0.004
Mr. LIANG Guokun (Note 10) . . . . .	1,570,254	0.008	1,570,254	0.008	1,674,937	0.008
Mr. SU Baiyuan (Note 11) . . . . .	855,739	0.004	855,739	0.004	912,788	0.004
Mr. LAI Ming, Joseph . . . . .	1,000,000	0.005	1,000,000	0.005	1,066,666	0.005
Mr. SHEK Lai Him, Abraham . . . . .	1,000,000	0.005	1,000,000	0.005	1,066,666	0.005
Mr. TONG Wui Tung, Ronald . . . . .	1,000,000	0.005	1,000,000	0.005	1,066,666	0.005
<b>Sub-total . . . . .</b>	<b>13,971,847,441</b>	<b>73.22</b>	<b>14,728,522,999</b>	<b>72.36</b>	<b>14,903,303,931</b>	<b>73.22</b>
<i>Joint Underwriters</i>						
(Note 12) . . . . .	—	—	515,513,178	2.53	—	—
Public . . . . .	5,110,983,605	26.78	5,110,983,605	25.11	5,451,715,851	26.78
<b>Total . . . . .</b>	<b>19,082,831,046</b>	<b>100.00</b>	<b>20,355,019,782</b>	<b>100.00</b>	<b>20,355,019,782</b>	<b>100.00</b>

*Notes:*

1. Based on the information in the disclosure of interest register of the Company.
2. Certain figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
3. The 11,350,133,388 Shares are held as to 9,167,484,388 Shares by Concrete Win, as to 66,626,000 Shares by Golden Value, as to 16,023,000 by Jolly Faith and as to 2,100,000,000 Shares by Genesis Capital. Concrete Win, Golden Value and Genesis Capital are wholly owned by Ms. YANG Huiyan, an executive Director and the controlling shareholder of the Company. Jolly Faith is owned as to 50% by Ms. YANG Huiyan and as to 50% by Mr. YEUNG Kwok Keung, an executive Director.
4. Automic Group Limited is legally and beneficially owned as to 100% by Mr. YANG Erzhu, an executive Director. Therefore, Mr. YANG Erzhu is deemed to be interested in 1,019,733,743 Shares through his interests in Automic Group Limited.
5. The 66,060,000 Shares held by Mr. YEUNG Kwok Keung, an executive Director, represent shares held by Kenpac Investments Limited and Jolly Faith in which Mr. YEUNG Kwok Keung beneficially owned as to 90% and 50% of the issued share capital, respectively.

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## LETTER FROM THE BOARD

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6. The 3,000,000 Shares represent Shares in which Mr. MO Bin has a beneficiary interest in a trust.
7. The 749,437,312 Shares held by Mr. SU Rubo, an executive Director, represent Shares held by Easy Hope Holdings Limited, a company in which Mr. SU Rubo beneficially owned as to 100% of the issued share capital.
8. The 772,144,068 Shares held by Mr. OU Xueming, an executive Director, represent Shares held by Highlander Group Limited, a company in which Mr. OU Xueming beneficially owned as to 100% of the issued share capital.
9. These shares represent Shares held by Ms. YANG Congrong being the spouse of Mr. XIE Shutai, an executive Director.
10. These shares represent Shares held by Ms. MA Minhua being the spouse of Mr. LIANG Guokun, an executive Director.
11. Out of the 855,739 Shares, 419,643 Shares held by Ms. LIU Qing being the spouse of Mr. SU Baiyuan, an executive Director.
12. Pursuant solely to the Joint Underwriters' respective underwriting obligations under the Underwriting Agreement and excluding any other interests.

### 5. WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL PAID RIGHTS

**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 “Termination of the Underwriting Agreement” of this Prospectus for further details.**

**The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.**

**The Shares have been dealt in on an ex-rights basis from Monday, 15 September 2014. Dealings in the Nil Paid Rights are expected to take place from Wednesday, 24 September 2014 to Friday, 3 October 2014 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Nil Paid Rights is advised to exercise caution when dealing in the Shares and/or the Nil Paid Rights.**

### 6. REASONS FOR THE RIGHTS ISSUE

The Directors consider that the Rights Issue would optimise the capital structure of the Company, equitize the Company's balance sheet and enhance the credit profile of the Company for the following reasons:

- (a) **The Rights Issue provides the ability for existing Shareholders to participate in the Rights Issue**
  - (i) support of controlling shareholder of the Company to participate in the Rights Issue demonstrates confidence in the Company's growth prospects and long-term fundamentals of China's real estate sector;
  - (ii) the Rights Issue will offer to Qualifying Shareholders the opportunity to participate in the future development of the Company on equal terms; and
  - (iii) Qualifying shareholders will be entitled to apply by way of excess application for any unsubscribed Rights Shares pursuant to the terms as stated in the section headed “Application for excess Rights Shares” of this Prospectus.

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## LETTER FROM THE BOARD

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**(b) The Rights Issue is an optimal financing strategy for the Company**

- (i) the net proceeds of the Rights Issue will be used to refinance the existing indebtedness, and as general working capital, of the Company;
- (ii) enable the Company to invest capital in its growth as well as strengthen its financial position as a whole; and
- (iii) improve the Company's trading liquidity and attractiveness to large institutional investors by increasing the number of public float shares to the market.

**(c) The Rights Issue will also improve the Company's credit profile through the repayment of debt**

- (i) enable the Company to diversify funding channels in both debt and equity capital markets;
- (ii) increase equity base and provide debt headroom for the Company and therefore enhancing financing flexibility of the Company; and
- (iii) achieve continual improvement in the Company's credit ratios and target ratings upgrade for the Company.

Based on the foregoing, the Directors consider that the Rights Issue is favourable to the Company's long-term business development and in the best interests of the Company and the Shareholders as a whole.

### 7. USE OF PROCEEDS

The net proceeds of the Rights Issue are estimated to be not less than approximately HK\$3,154.1 million and not more than approximately HK\$3,154.5 million after the deduction of all estimated expenses which is estimated to be approximately HK\$25.9 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\$2.48.

The Company intends to apply all of the net proceeds from the Rights Issue to refinance the existing indebtedness of the Group and as general working capital of the Company. The Company intends to apply the net proceeds from the Rights Issue to repay the Group's existing indebtedness, including the Bridge Loan (as defined below) that was used to repay the 2014 Senior Notes. The 2014 Senior Notes matured on 10 September 2014. Due to the timing gap between the maturity of the 2014 Senior Notes and the receipt of the net proceeds from the Rights Issue, on 16 October 2014, an affiliate of each of the Joint Underwriters (the "**Lenders**") extended a 3-month bridge loan of an aggregate principal amount of US\$400 million to the Company (the "**Bridge Loan**") to facilitate the Company's repayment of the 2014 Senior Notes upon its maturity. The Bridge Loan was borrowed on terms and conditions which were agreed among the Company and the Lenders after arm's length negotiations. Upon completion of the Rights Issue, the Company intends to immediately use the net proceeds from the Rights Issue to repay the Bridge Loan.

Although there is no current intention to deviate from the stated use of proceeds, the Directors may review and vary the purpose for which the proceeds are used in light of what they consider to be the optimal use of proceeds from time to time. Further announcements will be made, if necessary, in the event of material change to the use of proceeds.

## **8. TAXATION**

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of, in the case of Qualifying Shareholders, the receipt, purchase, holding, exercising, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares and, in the case of the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

## **9. PREVIOUS EQUITY FUND RAISING BY THE COMPANY**

The Company has not engaged in or initiated any equity fund raising exercises (including any rights issue exercise) during the 12 months immediately preceding the date of this Prospectus.

## **10. NO SHAREHOLDERS' APPROVAL IS REQUIRED FOR RIGHTS ISSUE**

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting pursuant to Rule 7.19(6)(a) of the Listing Rules.

## **11. POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS**

As a result of the Rights Issue, the exercise prices of, and/or the number or nominal amount of Shares subject to, the outstanding Share Options may be adjusted in accordance with the terms and conditions of the Share Option Scheme. The Company will make further announcements on the appropriate adjustments (if any) and the date they are expected to take effect in due course.

## **12. INFORMATION OF THE GROUP**

The principal activity of the Company is investment holding. The principal activities of its subsidiaries comprises of construction, decoration, project development, property management, as well as hotel development and management services.

### **Business Review and Outlook**

The Group has always actively responded to the market changes and made timely adjustments to its development and sales plan, offered high value-for-money products to suit the user-oriented demand in accordance with national policies. Facing the ever-changing market environment, while the Group continued to further enhance the environmental features, ancillary facilities of its projects and its product quality, it also adopted various active and flexible sales strategies and marketing activities which promoted sales and also benefited the Group's long-term sustainable development.

While the Group continued to achieve healthy growth in Guangdong Province, its core market, the recognition of the Group's brand name has been continuously rising outside Guangdong. The Group has become a leading brand in many of its operations outside Guangdong, which not only diversifies the Group's geographical coverage of business, but also sets a solid foundation for the long-term development of the Group.

As at 30 June 2014, the Group had 209 projects under different stages of development (including 82 in Guangdong Province). Attributable gross floor area ("GFA") with land use right certificates, development and operation rights or land title was approximately 75.68 million sq. m. (approximately 35.3% of the attributable GFA in Guangdong Province), among which attributable GFA with construction permits was around 35.65 million sq. m..



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## LETTER FROM THE BOARD

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Alongside the continuing expansion in property development and sales, the Group's hotel business broadened its recurring income stream from non-residential developments, diversifying the Group's property income portfolio.

### 13. ACTIVITIES BY SYNDICATE MEMBERS

The Syndicate Members may each individually undertake a variety of activities which do not form part of the underwriting process. In the ordinary course of their respective business activities, the Syndicate Members have provided from time to time, and are expected to provide in the future, investment banking, financing and other services to the Company and each of their affiliates for which such Syndicate Members have received or will receive fees and commissions as agreed among the Company and/or its affiliates and the Syndicate Members. In particular, the Syndicate Members may act as lenders under one or more of the Group's loan facilities or as lenders to the Shareholders for loans which are secured against the Shares.

### 14. THE LOAN FACILITY

In connection with the Rights Issue, one of the Registered Committed Shareholders (the "**Borrower**") has obtained a credit facility from the Syndicate Members providing it the option to obtain financing on customary terms (the "**Loan Facility**") to finance up to the Irrevocable Subscription Amount on behalf of the Registered Committed Shareholders. If the Borrower exercises its option to draw down the Loan Facility, such Loan Facility will be secured by a pledge of Shares (the "**Pledged Shares**") in favour of the Syndicate Members.

### 15. ADDITIONAL INFORMATION

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

Yours faithfully  
By order of the Board  
**Country Garden Holdings Company Limited**  
**WU Jianbin**  
*Executive Director*

## 1. THREE YEARS' SUMMARY OF FINANCIAL RESULTS

The published audited consolidated financial statements of the Group for each of the years ended 31 December 2011, 2012 and 2013, and the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2014 are disclosed in the annual reports of the Company for the years ended 31 December 2011 (pages 45 to 141), 2012 (pages 49 to 141), 2013 (pages 57 to 161) and the interim report of the Company for the six months ended 30 June 2014 (pages 39 to 72), respectively. They can be accessed on the website of the Company ([www.countrygarden.com.cn](http://www.countrygarden.com.cn)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Quick links to the annual reports of the Company are set out below:

Annual report for the year ended 31 December 2011:

[www.hkexnews.hk/listedco/listconews/SEHK/2012/0322/LTN20120322433.pdf](http://www.hkexnews.hk/listedco/listconews/SEHK/2012/0322/LTN20120322433.pdf)

Annual report for the year ended 31 December 2012:

[www.hkexnews.hk/listedco/listconews/SEHK/2013/0408/LTN20130408438.pdf](http://www.hkexnews.hk/listedco/listconews/SEHK/2013/0408/LTN20130408438.pdf)

Annual report for the year ended 31 December 2013:

[www.hkexnews.hk/listedco/listconews/SEHK/2014/0410/LTN20140410735.pdf](http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0410/LTN20140410735.pdf)

Interim report for the six months ended 30 June 2014:

[www.hkexnews.hk/listedco/listconews/SEHK/2014/0903/LTN201409031036.pdf](http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0903/LTN201409031036.pdf)

## 2. INDEBTEDNESS

### Statement of Indebtedness

As at 31 July 2014, being the latest practicable date for the purpose of this statement of indebtedness, the Group had an aggregated debt of approximately RMB58,095.58 million, including bank and other borrowings of approximately RMB33,117.96 million, and senior notes of approximately RMB24,977.62 million.

For bank and other borrowings, approximately RMB10,275.62 million will be repayable within one year, approximately RMB22,036.91 million will be repayable between two and five years and the remaining approximately RMB805.43 million to be repayable beyond five years. As at 31 July 2014, the substantial part of the bank and other borrowings are secured by land use rights and properties of the Group and guaranteed by the Company and certain of its subsidiaries.

For senior notes, approximately RMB2,402.16 million will be repayable within one year, approximately RMB13,181.23 million will be repayable between two and five years and the remaining approximately RMB9,394.23 million to be repayable beyond five years. As at 31 July 2014, all senior notes are guaranteed by certain of its subsidiaries.

**Contingent Liabilities**

As at 31 July 2014, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding contingencies:

	<u>As at</u> <u>31 July 2014</u>
	<u>RMB'000</u>
Guarantees in respect of mortgage facilities provided to certain property buyers . . . . .	50,193,796.92
Guarantee provided to an associate and a joint venture in respect of borrowings . . . . .	2,148,324.69
	<u>52,342,121.61</u>

Save as aforesaid and apart from intra-group liabilities, as at the close of business on 31 July 2014, the Group did not have any outstanding loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, or hire purchase of finance lease commitments, liabilities under acceptances or acceptance credits, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors are of the opinion that, taking into consideration the financial resources available to the Group, including the internally generated funds, the available banking facilities and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this Prospectus.

**4. NO MATERIAL ADVERSE CHANGE**

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

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

Looking forward, with the overall improvement in the global economic environment, the further loosening up of control measures and further marketization in China's real estate industry, the Group will carefully study and continuously adapt to the market, adhere with the national development strategy and macroeconomic environment. At the same time, the Group will maintain the continuity of its business concept, continue to adhere with its established steady business strategy, endeavor to perform well in operation and management, and strategically select and develop property projects. Together with its fast track development, strong project execution capabilities, continuously enhanced product quality as well as gardening facilities, property management services with attention to details, the Group is committed to offering high value-for-money property products and living experience, achieving sales success both in China and overseas, creating value for the society and generating satisfactory returns for its shareholders.

For illustration purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by completion of the Rights Issue as if the Rights Issue had been completed on 30 June 2014. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial condition on the completion of the Rights Issue.

## 1. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is an illustrative and unaudited pro forma financial information (“**Unaudited Pro Forma Financial information**”) of the Group, including the unaudited pro forma statement of adjusted consolidated net assets attributable to owners of the Company, the unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company, the unaudited pro forma statement of adjusted consolidated assets and liabilities of the Group and related notes, which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 30 June 2014.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the consolidated net assets attributable to owners of the Company, consolidated net tangible assets attributable to owners of the Company, and consolidated assets and liabilities of the Group as at 30 June 2014, as extracted from the published interim report of the Group for the six months ended 30 June 2014, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

This Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2014 or at any future date.

### (a) Unaudited Pro Forma Statement of Adjusted Consolidated Net Assets of the Group

	Unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2014 (Note 1)	Estimated net proceeds from the Rights Issue (Note 2)	Unaudited pro forma adjusted consolidated net assets of the Group attributable to owners of the Company after completion of the Rights Issue	Unaudited consolidated net assets per Share of the Group attributable to owners of the Company as at 30 June 2014 (Note 3)	Unaudited pro forma adjusted consolidated net assets per Share of the Group attributable to owners of the Company after completion of the Rights Issue (Note 4)
	RMB'000	RMB'000	RMB'000	RMB	RMB
Based on 1,271,988,736 Rights Share at the subscription price of HK\$2.50 per Rights Share	49,320,775	2,503,581	51,824,356	2.67	2.63

Notes:

- The unaudited consolidated net assets of the Group attributable to the Company's owners as at 30 June 2014 is extracted from the published interim report of the Group for the six months ended 30 June 2014.
- The estimated net proceeds from the Rights Issue are based on 1,271,988,736 Rights Shares to be issued (in the proportion of one (1) Rights Share for every fifteen (15) Shares held as at the Record Date) at the subscription price of HK\$2.50 per Rights Share, after deduction of the related expenses of approximately HK\$25,854,000. For the purpose of the estimated net proceeds from the Right Issue, the translation of Hong Kong dollars into RMB was made at the rate of HK\$1.00 to RMB0.79375.

3. The unaudited consolidated net assets per Share attributable to owners of the Company as at 30 June 2014 was approximately RMB2.67, which was based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2014 of RMB49,320,775,000 and 18,457,534,177 Shares in issue as at 30 June 2014.
4. The unaudited pro forma adjusted consolidated net assets per Share is arrived at after aggregating the unaudited consolidated net assets of the Group of RMB49,320,775,000 as at 30 June 2014 (Note 1) and the estimated net proceeds of RMB2,503,581,000 from the Rights Issue (Note 2) and on the basis that 18,457,534,177 Shares were in issue as at 30 June 2014 and 1,271,988,736 Rights Shares were issued under the Rights Issue as if the Rights Issue had been completed on 30 June 2014, but does not take into account of any Shares which may be issued upon the exercise of options granted under the Share Option Scheme or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate, and the 622,296,869 Shares issued in July 2014 as a result of the scrip dividend scheme adopted by the Company in June 2014.
5. Other than those mentioned above, no adjustments have been made to the unaudited pro forma adjusted consolidated net assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2014.

**(b) Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group**

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2014 (Note 1)	Estimated net proceeds from the Rights Issue (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company after completion of the Rights Issue	Unaudited consolidated net tangible assets per Share attributable to owners of the Company as at 30 June 2014 (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company after completion of the Rights Issue (Note 4)
	RMB'000	RMB'000	RMB'000	RMB	RMB
Based on 1,271,988,736 Rights Share at the subscription price of HK\$2.50 per Rights Share . . . . .	49,299,486	2,503,581	51,803,067	2.67	2.63

*Notes:*

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2014 is based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2014 of RMB49,320,775,000 with adjustments for intangible assets of RMB21,289,000 as extracted from the published interim report of the Group for the six months ended 30 June 2014.
2. The estimated net proceeds from the Rights Issue are based on 1,271,988,736 Rights Shares to be issued (in the proportion of one (1) Rights Share for every fifteen (15) Shares held as at the Record Date) at the subscription price of HK\$2.50 per Rights Share, after deduction of the related expenses of approximately HK\$25,854,000. For the purpose of the estimated net proceeds from the Right Issue, the translation of Hong Kong dollars into RMB was made at the rate of HK\$1.00 to RMB0.79375.
3. The unaudited consolidated net tangible assets per Share attributable to owners of the Company as at 30 June 2014 was approximately RMB2.67, which was based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2014 of RMB49,299,486,000 and 18,457,534,177 Shares in issue as at 30 June 2014.
4. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after aggregating the unaudited consolidated net tangible assets of the Group of RMB49,299,486,000 as at 30 June 2014 (Note 1) and the estimated net proceeds of RMB2,503,581,000 from the Rights Issue (Note 2) and on the basis that 18,457,534,177 Shares were in issue as at 30 June 2014 and 1,271,988,736 Rights Shares were issued under the Rights Issue as if the Rights Issue had been completed on 30 June 2014, but does not take into account of any Shares which may be issued upon the exercise of options granted under the Share Option Scheme or any Shares which may be granted and issued or repurchased by the Company pursuant to the general mandate and the repurchase mandate, and the 622,296,869 Shares issued in July 2014 as a result of the scrip dividend scheme adopted by the Company in June 2014.
5. No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2014.

## (c) Unaudited Pro Forma Statement of Adjusted Consolidated Assets and Liabilities of the Group

	Unaudited statement of consolidated assets and liabilities of the Group as at 30 June 2014 (Note 1)	Estimated net proceeds from the Rights Issue (Note 2)	Repayment of the 2014 Senior Notes (Note 3)	Unaudited pro forma statement of adjusted consolidated assets and liabilities of the Group
	RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment . . . . .	16,763,603	—	—	16,763,603
Investment properties . . . . .	5,362,634	—	—	5,362,634
Intangible assets . . . . .	21,289	—	—	21,289
Land use rights . . . . .	2,107,890	—	—	2,107,890
Properties under development . . . . .	46,772,657	—	—	46,772,657
Investment in an associate . . . . .	42,144	—	—	42,144
Investment in a joint venture . . . . .	34,729	—	—	34,729
Deferred income tax assets . . . . .	2,069,658	—	—	2,069,658
Available-for-sale financial assets . . . . .	210,748	—	—	210,748
	<u>73,385,352</u>	<u>—</u>	<u>—</u>	<u>73,385,352</u>
<b>Current assets</b>				
Properties under development . . . . .	89,607,194	—	—	89,607,194
Completed properties held for sale . . . . .	18,514,139	—	—	18,514,139
Inventories . . . . .	742,922	—	—	742,922
Trade and other receivables . . . . .	27,528,276	—	—	27,528,276
Prepaid taxes . . . . .	8,116,638	—	—	8,116,638
Restricted cash . . . . .	8,538,168	—	—	8,538,168
Cash and cash equivalents . . . . .	15,887,047	2,503,581	(2,373,228)	16,017,400
	<u>168,934,384</u>	<u>2,503,581</u>	<u>(2,373,228)</u>	<u>169,064,737</u>
<b>Total assets</b> . . . . .	<u>242,319,736</u>	<u>2,503,581</u>	<u>(2,373,228)</u>	<u>242,450,089</u>

	Unaudited statement of consolidated assets and liabilities of the Group as at 30 June 2014 (Note 1)	Estimated net proceeds from the Rights Issue (Note 2)	Repayment of the 2014 Senior Notes (Note 3)	Unaudited pro forma statement of adjusted consolidated assets and liabilities of the Group
	RMB'000	RMB'000	RMB'000	RMB'000
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Senior notes . . . . .	22,355,324	—	—	22,355,324
Bank and other borrowings . . . . .	24,580,048	—	—	24,580,048
Deferred government grants . . . . .	239,520	—	—	239,520
Deferred income tax liabilities . . . . .	2,308,297	—	—	2,308,297
	<u>49,483,189</u>	<u>—</u>	<u>—</u>	<u>49,483,189</u>
<b>Current liabilities</b>				
Advanced proceeds received from customers . . . . .	83,429,713	—	—	83,429,713
Trade and other payables . . . . .	34,485,068	—	—	34,485,068
Dividend payable . . . . .	1,507,210	—	—	1,507,210
Income taxes payable . . . . .	8,040,396	—	—	8,040,396
Senior notes . . . . .	2,373,228	—	(2,373,228)	—
Bank and other borrowings . . . . .	8,202,095	—	—	8,202,095
	<u>138,037,710</u>	<u>—</u>	<u>(2,373,228)</u>	<u>135,664,482</u>
<b>Total liabilities</b> . . . . .	<u>187,520,899</u>	<u>—</u>	<u>(2,373,228)</u>	<u>185,147,671</u>
Net current assets . . . . .	<u>30,896,674</u>	<u>2,503,581</u>	<u>—</u>	<u>33,400,255</u>
Total assets less current liabilities . . . . .	<u>104,282,026</u>	<u>2,503,581</u>	<u>—</u>	<u>106,785,607</u>
<b>Total equity</b> . . . . .	<u>54,798,837</u>	<u>2,503,581</u>	<u>—</u>	<u>57,302,418</u>

*Notes:*

1. The balances are extracted from the unaudited consolidated interim balance sheet of the Group as at 30 June 2014 set out in the interim report of the Group for the six months ended 30 June 2014.
2. The estimated net proceeds from the Rights Issue are based on 1,271,988,736 Rights Shares to be issued (in the proportion of one (1) Rights Share for every fifteen (15) Shares held as at the Record Date) at the subscription price of HK\$2.50 per Rights Share, after deduction of the related expenses of approximately HK\$25,854,000. For the purpose of the estimated net proceeds from the Right Issue, the translation of Hong Kong dollars into RMB was made at the rate of HK\$1.00 to RMB0.79375.
3. It reflects the Company's intention to apply the proceeds from the Rights Issue to repay the 2014 Senior Notes with a carrying value of approximately RMB2,373,228,000 as at 30 June 2014.
4. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2014.



## 2. ASSURANCE REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

*The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong in respect of the Unaudited Pro Forma Financial Information of the Group for the purpose of incorporation in this Prospectus.*



羅兵咸永道

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

To the Directors of Country Garden Holdings Company Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Country Garden Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net assets of the Group as at 30 June 2014, unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2014, the unaudited pro forma statement of adjusted consolidated assets and liabilities of the Group as at 30 June 2014 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages II-1 to II-5 of the Company's prospectus dated 22 September 2014, in connection with the proposed rights issue of rights shares (the “**Proposed Rights Issue**”) of the Company (the “**Prospectus**”). The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-5 of this Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Proposed Rights Issue on the Group's financial position as at 30 June 2014 as if the Proposed Rights Issue had taken place at 30 June 2014. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's unaudited interim financial information for the six months ended 30 June 2014, on which no review report has been published.

#### **Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

#### **Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Rights Issue at 30 June 2014 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and

- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**PricewaterhouseCoopers**  
*Certified Public Accountants*  
Hong Kong, 22 September 2014

## 1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and beliefs the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date to the completion of the Rights Issue) will be as follows:

	<u>Nominal value</u> HK\$
<b>Authorised:</b>	
100,000,000,000 Shares of HK\$0.10 each . . . . .	10,000,000,000
<b>Issued and fully paid:</b>	
19,079,831,046 Shares in issue as at the Latest Practicable Date . . . . .	1,907,983,104.6
3,000,000 Shares issued upon exercise in full of all Vested Share Options . . . . .	300,000
1,272,188,736 Rights Shares to be issued and allotted pursuant to the Rights Issue . . . . .	127,218,873.6
20,355,019,782 total Shares in issue immediately following the completion of the Rights Issue (assuming no further issue of Shares (other than the Rights Shares and Shares issued upon exercise in full of all Vested Share Options) from the Latest Practicable Date to the completion of the Rights Issue) . . . . .	2,035,501,978.2

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be issued and allotted will, when issued and full paid, will rank *pari passu* in all respects with the existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form.

As at the Latest Practicable Date, save for the Share Options, there were no outstanding convertible debt securities which are listed or deal in on any stock exchange and no application is being made or is currently proposed or sought for the Shares to be listed or dealt in on any other stock exchange.

## 3. SHARE OPTION SCHEME, EMPLOYEE INCENTIVE SCHEME AND DEBT SECURITIES

### Share Option Scheme

On 20 March 2007, the Share Option Scheme was adopted and approved by the then Shareholders. As at the Latest Practicable Date, Share Options to subscribe for a total of 9,173,457 Shares have been granted and no Share Option was exercised, cancelled or lapsed in accordance with the terms of the Share Option Scheme.

Details of the Share Options under the Share Option Scheme are as follows:

Category and name of grantees	Options to subscribe for shares of the Company	Date of grant	Exercise period	Exercise price per share
<b>Directors of the Company</b>				
Mr. LAI Ming, Joseph	1,000,000	30.11.2012	30.11.2012- 29.11.2022	HK\$ 3.7
Mr. SHEK Lai Him, Abraham	1,000,000	30.11.2012	30.11.2012- 29.11.2022	HK\$ 3.7
Mr. TONG Wui Tung, Ronald	1,000,000	30.11.2012	30.11.2012- 29.11.2022	HK\$ 3.7
Mr. YANG Zhicheng	1,493,845	13.12.2013	13.12.2018- 12.12.2023	HK\$4.844
Mr. OU Xueming	954,039	13.12.2013	13.12.2018- 12.12.2023	HK\$4.844
<b>Sub-total</b>	<b>5,447,884</b>			
<b>Employees of the Group</b>	<b>3,725,573</b>	13.12.2013	13.12.2018- 12.12.2023	HK\$4.844
<b>Total</b>	<b>9,173,457</b>			

### Employee Incentive Scheme

The trust deed in respect of an employee incentive scheme (the “**Employee Incentive Scheme**”) for the benefit of the senior management and employees of the Group which excludes any connected persons of the Company has been approved in principle, while the scheme rules are under preparation for the Board’s approval. The purpose of the Employee Incentive Scheme is to provide the participants with an opportunity to hold a personal stake in the Company so as to motivate such participants and to enhance performance and efficiency. As at the Latest Practicable Date, the cumulative total number of the shares acquired, either from the market or by way of scrip dividend pursuant to the scrip dividend schemes adopted by the Company from time to time, under the Employee Incentive Scheme was 107,771,551 shares. The beneficiary(ies) under the Employee Incentive Scheme will not participate in the subscription of Rights Shares pursuant to the Rights Issue.

The Board will continue monitoring the Employee Incentive Scheme for the benefit of the senior management and employees of the Group and if it shall consider appropriate and/or desirable, modify or replace the Employee Incentive Scheme with and/or adopt other incentive scheme.

### Debt Securities

As at the Latest Practicable Date, there were outstanding senior notes in the aggregate principal amount of approximately US\$3.35 billion, which are listed on the Singapore Exchange Securities Trading Limited (the “**SGX-listed Notes**”).

Save for the outstanding SGX-listed Notes, the Company has no other equity or debt securities which are listed or dealt in any other stock exchange or which the listing or permission to deal is being or is proposed to be sought in any other stock exchange.

#### 4. BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

(a) The business addresses of the Directors and senior management of the Company are set out below:

Name of Director and Senior Management	Position	Business Address
<i>Executive Directors</i>		
YEUNG Kwok Keung (楊國強)	Chairman and an executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
YANG Huiyan (楊惠妍)	Vice Chairman and an executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
MO Bin (莫斌)	President and an executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
ZHU Rongbin (朱榮斌)	Associate President and an executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
WU Jianbin (吳建斌)	Chief Financial Officer and an executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
YANG Ziying (楊子瑩)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
YANG Erzhu (楊貳珠)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
SU Rubo (蘇汝波)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
OU Xueming (區學銘)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong

**APPENDIX III****GENERAL INFORMATION**

<b>Name of Director and Senior Management</b>	<b>Position</b>	<b>Business Address</b>
YANG Zhicheng (楊志成)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
XIE Shutai (謝樹太)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
SONG Jun (宋軍)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
LIANG Guokun (梁國坤)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
SU Baiyuan (蘇柏垣)	Executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
<i>Independent Non-executive Directors</i>		
LAI Ming, Joseph (黎明)	Independent Non-executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
SHEK Lai Him, Abraham (石禮謙)	Independent Non-executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
TONG Wui Tung, Ronald (唐滙棟)	Independent Non-executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
HUANG Hongyan (黃洪燕)	Independent Non-executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
HUANG Xiao (黃曉)	Independent Non-executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong

**APPENDIX III****GENERAL INFORMATION**

<b>Name of Director and Senior Management</b>	<b>Position</b>	<b>Business Address</b>
LIU Hongyu (劉洪玉)	Independent Non-executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
MEI Wenjue (梅文珏)	Independent Non-executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
YEUNG Kwok On (楊國安)	Independent Non-executive Director	Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong
<i>Senior Management</i>		
WANG Shaojun (王少軍)	Vice President	Country Garden Centre No. 1 Country Garden Road Beijiao Town Shunde District Foshan Guangdong Province 528312, PRC
FAN Jie (樊杰)	Vice President	Country Garden Centre No. 1 Country Garden Road Beijiao Town Shunde District Foshan Guangdong Province 528312, PRC
LI Xiaolin (黎曉林)	Vice President	Country Garden Centre No. 1 Country Garden Road Beijiao Town Shunde District Foshan Guangdong Province 528312, PRC
PENG Zhibin (彭志斌)	Vice President	Country Garden Centre No. 1 Country Garden Road Beijiao Town Shunde District Foshan Guangdong Province 528312, PRC



Name of Director and Senior Management	Position	Business Address
WANG Zhidun (王志敦)	Vice President	Country Garden Centre No. 1 Country Garden Road Beijiao Town Shunde District Foshan Guangdong Province 528312, PRC
ZHANG Zhiyuan (張志遠)	Vice President	Country Garden Centre No. 1 Country Garden Road Beijiao Town Shunde District Foshan Guangdong Province 528312, PRC
WU Bijun (伍碧君)	Vice President	Country Garden Centre No. 1 Country Garden Road Beijiao Town Shunde District Foshan Guangdong Province 528312, PRC
CHENG Guangyu (程光煜)	Vice President	Country Garden Centre No. 1 Country Garden Road Beijiao Town Shunde District Foshan Guangdong Province 528312, PRC

(b) Below are the biographical details of the Directors and senior management together with their functions and relevant management expertise:

#### EXECUTIVE DIRECTORS

**YEUNG Kwok Keung** (楊國強), aged 59, was appointed as the chairman and an executive Director in December 2006. Mr. YEUNG is also the chairman of the nomination committee, the corporate governance committee and the executive committee of the Company, a member of the remuneration committee of the Company and a director of various members of the Group. Mr. YEUNG is responsible for the formulation of development strategies, investment planning and overall project planning as well as ensuring the Board functioned properly with good corporate governance. From 1992 to 1997, Mr. YEUNG was the general manager of Shunde Sanhe Property Development Co., Ltd. (順德市三和物業發展有限公司) (“**Shunde Sanhe Co.**”). From 1986 to 1997, Mr. YEUNG served as the general manager and the chairman of Shunde Beijiao Construction Company Limited (順德市北滘建築工程有限公司) (“**Beijiao Construction Co.**”) and also served as the general manager of the Group from 1997 to 2003. He was the chairman of the Group from 2003 to 2005 and became the chairman of the Company after its formation in 2006. Mr. YEUNG has over 36 years of experience in

construction and over 22 years of experience in property development. Mr. YEUNG was awarded “China Charity Outstanding Contributions Person” and “Top Ten Contributions to China Real Estate” in 2009 and “China Real Estate Entrepreneur Charity Award” and “Person of China Real Estate” in 2010, “Individual under non-collectively own category for helping poverty in Guangdong” in 2011, as well as “2012 China Corporate Social Responsibility Award for Outstanding Entrepreneur” in 2012. Mr. YEUNG is currently a member of the 12th National Committee of the Chinese People’s Political Consultative Conference (全國政協委員). Mr. YEUNG is the father of Ms. YANG Huiyan, the vice chairman and a controlling shareholder of the Company, the father of Ms. YANG Ziying, an executive Director, and the uncle of Mr. YANG Zhicheng, an executive Director.

**YANG Huiyan** (楊惠妍), aged 32, was appointed as an executive Director in December 2006 and the vice chairman of the Company in March 2012. Ms. YANG is also a member of the corporate governance committee, the executive committee and the finance committee of the Company and a director of various members of the Group. Ms. YANG graduated from Ohio State University with a bachelor’s degree in marketing and logistic. Ms. YANG joined the Group in 2005 and served as the manager of the procurement department. Currently, she is primarily responsible for the formulation of development strategies of the Group. Ms. YANG was awarded “China Charity Award Special Contribution Award” in 2008. Ms. YANG is the daughter of Mr. YEUNG Kwok Keung, the chairman and an executive Director, the sister of Ms. YANG Ziying, an executive Director, and a cousin of Mr. YANG Zhicheng, an executive Director.

**MO Bin** (莫斌), aged 47, was appointed as the president and an executive Director in July 2010. Mr. MO is also a member of the remuneration committee, the corporate governance committee, the executive committee and the finance committee of the Company and a director of various members of the Group. Mr. MO graduated from Hengyang Institute of Technology (currently known as University of South China) with an undergraduate degree in industrial and civil architecture and obtained his postgraduate degree from Zhongnan University of Economics and Law. He is also a professor-grade senior engineer. Mr. MO is primarily responsible for the management of the daily operation and general administration of the Group. Prior to joining the Group, Mr. MO was employed by an internationally competitive construction and property group in mainland China, China Construction Fifth Engineering Division Corp., Ltd., in a number of senior positions since 1989, most recently as a director and general manager. Mr. MO has over 24 years of extensive experience in property development, construction business, construction management, marketing, cost control and corporate management.

**ZHU Rongbin** (朱榮斌), aged 41, was appointed as the associate president and an executive Director in May 2013. Mr. ZHU is also a member of the executive committee of the Company. Mr. ZHU graduated from the Faculty of Civil Engineering of Tsinghua University with a master’s degree and is a national registered supervisor engineer, a national registered cost engineer and a senior engineer. Mr. ZHU is primarily responsible for the management of investment, commercial and product design of the Group. Mr. ZHU was employed by China Overseas Holdings Limited from 1995 to 2008 responsible for property development and project management in various locations, namely Guangzhou, Hong Kong, Shenzhen, Beijing and Shanghai, and was most recently a director, assistant general manager and general manager (eastern China region) of China Overseas Property Group Company Limited. From 2008 to 2013, Mr. ZHU worked in Guangzhou R&F Properties Co., Ltd. (“R&F”), most recently as a vice president and general manager (southern China region) of R&F. Mr. ZHU has acted as deputy managing president of Guangdong Real Estate Association since 2008. Mr. ZHU has 19 years of experience in property development and related business.

**WU Jianbin** (吳建斌), aged 52, was appointed as an executive Director and the Chief Financial Officer of the Company in April 2014. Mr. WU is also the chairman of the finance committee and a member of the executive committee of the Company. Mr. WU graduated from the School of Finance and Economics of Xi’an Jiaotong University (formerly known as Shaanxi Institute of Finance and Economics) and obtained a master

degree and a doctorate degree in Business Administration from the Macau University of Science and Technology respectively. Mr. WU is a senior accountant and is an adjunct professor at the Shanghai University of International Business and Economics. Mr. WU joined China State Construction Engineering Corporation in 1984 and was seconded to China Overseas Land & Investment Ltd. in 1987. He was appointed as director and financial controller of China Overseas Holdings Limited in 2001 and appointed as executive director and financial controller of China Overseas Land & Investment Ltd. in 2002 and was re-designated as vice chairman and non-executive Director in 2009. Prior to joining the Group, Mr. WU was an executive Director and vice president of China Overseas Holdings Limited and the chairman of China Overseas Investment Developing Holdings Limited. Mr. WU has received a number of awards between 2004 and 2009, including “the Achievement Award for Financial Management of 30th Anniversary of China’s Reform and Opening up” (改革開放 30 年財務管理成就獎) and “the 60th Anniversary of China’s Financial Value Leadership Award” (建國 60 週年中國財務價值領軍人物) awarded by the China Chief Financial Officer Press (中國總會計師雜誌社) and China CFO International Summit (中國 CFO 國際峰會) in 2008 and 2009 respectively. Mr. WU is also a member of the 11th Shaanxi Provincial Committee of Chinese People’s Political Consultative. Mr. WU has 30 years of experience in corporate finance, accounting, investment operations and information management.

**YANG Ziyang (楊子瑩)**, aged 26, was appointed as an executive Director in May 2011. Ms YANG is also a member of the executive committee of the Company and a director of various members of the Group. Ms. YANG graduated from Ohio State University with a bachelor’s degree in psychology. Ms. YANG joined the Group in 2008 as an assistant to chairman. Currently, she is primarily responsible for overseeing the finances of the Group, including offshore and onshore financing. Prior to joining the Group, Ms. YANG worked in a renowned global investment bank. Ms. YANG is the daughter of Mr. YEUNG Kwok Keung, the chairman and an executive Director, the sister of Ms. YANG Huiyan, the vice chairman, an executive Director and a controlling shareholder of the Company, and a cousin of Mr. YANG Zhicheng, an executive Director.

**YANG Erzhu (楊貳珠)**, aged 63, was appointed as an executive Director in November 2006 and is also a director of various members of the Group. Mr. YANG graduated from the School of Economic Management of Jinan University. Mr. YANG is primarily responsible for auditing the outsourcing of construction and assisting the chairman of the Company in investment planning. From 1994 to 1997, Mr. YANG served as a deputy general manager of Shunde Sanhe Co.. From 1986 to 1997, Mr. YANG served as a deputy general manager of Beijiao Construction Co.. From 1999 to 2009, Mr. YANG served as a director and deputy general manager of Foshan Shunde Finest Decoration & Design Enterprise and has served as a director and deputy general manager of Guangdong Giant Leap Construction Co., Ltd. (“**Giant Leap**”) and Foshan Shunde Country Garden Property Development Co., Ltd. (“**Shunde Country Garden**”) since 1997. Mr. YANG has over 36 years of experience in construction and approximately 20 years of experience in property development.

**SU Rubo (蘇汝波)**, aged 60, was appointed as an executive Director in December 2006 and is also a director of various members of the Group. Mr. SU graduated from the School of Economic Management of Jinan University. Mr. SU is primarily responsible for the construction management, supervision and coordination of certain property development projects of the Group. From 1994 to 1997, Mr. SU served as a deputy general manager of Shunde Sanhe Co.. From 1986 to 1997, Mr. SU served as a deputy general manager of Beijiao Construction Co. and has been serving as a director and a deputy general manager of Giant Leap and Shunde Country Garden since 1997. Mr. SU has over 36 years of experience in construction, approximately 20 years of experience in property development and approximately 17 years of experience in procurement of construction materials.

**OU Xueming (區學銘)**, aged 65, was appointed as an executive Director in December 2006 and is also a director of various members of the Group. Mr. OU is primarily responsible for the construction management,

supervision and coordination of certain property development projects of the Group. From 1994 to 1997, Mr. OU served as a deputy general manager of Shunde Sanhe Co.. From 1986 to 1997, Mr. OU served as a deputy general manager of Beijiao Construction Co. and has been serving as a director and a deputy general manager of Giant Leap and Shunde Country Garden since 1997. Mr. OU has over 36 years of experience in construction and approximately 20 years of experience in operation and management of property development.

**YANG Zhicheng** (楊志成), aged 41, was appointed as an executive Director in December 2006 and a regional president of the Group. Mr. YANG is also a member of the executive committee of the Company. Mr. YANG is primarily responsible for the overall development and management of certain property development projects of the Group. Prior to joining the Group in 1997, Mr. YANG served as a project manager of Shunde Sanhe Co., the general manager of Foshan Shunde Jun'an Country Garden Property Development Co., Ltd. and the project general manager of the Group. Mr. YANG has approximately 20 years of experience in project development. Mr. YANG is a nephew of Mr. YEUNG Kwok Keung, the chairman and an executive Director, and a cousin of Ms. YANG Huiyan, the vice chairman and a controlling shareholder of the Company, Ms. YANG Ziyang, an executive Director.

**XIE Shutai** (謝樹太), aged 50, was appointed as an executive Director in May 2013. Mr. XIE graduated from Hunan University (湖南大學) with a bachelor's degree in civil engineering and is a qualified PRC civil engineer. Mr. XIE is primarily responsible for the overall management and supervision of certain property development projects of the Group, and also responsible for the overall management of the hotel management, business management and property management companies of the Group. Prior to joining the Group in 1997, Mr. XIE worked in Hengyang City Construction Institute (衡陽市建築設計研究院) from 1986 to 1991 responsible for structural design work. He also worked in Shunde Sanhe Co. from 1992 to 1997 responsible for property management. Since 1997, he has been working in Shunde Country Garden and Guangdong Country Garden Property Management Co., Ltd. and is responsible for the overall property and hotel management of the Group. He has served as a vice president of the Company since 2007. Mr. XIE has 22 years of experience in property management and 17 years of experience in hotel management.

**SONG Jun** (宋軍), aged 46, was appointed as an executive Director in May 2013. Mr. SONG graduated from Chongqing College of Construction and Architecture (重慶建築工程學院) (currently known as Chongqing University (重慶大學)), with a bachelor's degree in architecture and is a qualified PRC architect. Prior to joining the Group in 1997, Mr. SONG worked in Hunan Province Jishou City Construction Institute (湖南省吉首市建築規劃勘察設計院) and Guangdong Elite Architectural Co., Ltd. and was responsible for architectural design work. Since 1997, he served as a project manager and a general manager of Shunde Country Garden and Guangzhou Country Garden, and served as vice president of the Company since 2005, responsible for the management of property project development. Currently, Mr. SONG is responsible for the overall operation, management and sustainable development of property projects in certain regions under his supervision. Mr. SONG has 17 years of experience in the management of property development.

**LIANG Guokun** (梁國坤), aged 56, was appointed as an executive Director in May 2013. Mr. LIANG is primarily responsible for the landscape design and gardening system management and supervision of the Group. Prior to joining the Group in 1999, Mr. LIANG worked in Chung Shan Hot Spring Golf Club (中山溫泉高爾夫球會俱樂部) from 1985 to 1994. He also worked in Dongguan Yin Li Golf Club (東莞銀利外商俱樂部), Shenzhen Mission Hills Golf Club (深圳觀瀾湖高爾夫球會) and Shenzhen Longgang Green Club (深圳龍崗綠色俱樂部), currently known as Citic Green Golf Club (中信綠色高爾夫球會), in a number of senior positions from 1994 to 1999. Mr. LIANG has served as a vice president of the Company since 2011. Mr. LIANG has 29 years of experience in golf course design management and landscape design management.

**SU Baiyuan (蘇柏垣)**, aged 48, was appointed as an executive Director in December 2013. Mr. SU graduated from Guangzhou Normal Institute (廣州師範學院) (currently known as Guangzhou University (廣州大學)) majoring in geography and obtained a postgraduate degree in human geography from Sun Yat-Sen University (中山大學). Prior to joining the Group in 2005, Mr. SU has over 10 years of experiences in land planning and development as well as operational management. Mr. SU was a vice president of the Company until he resigned as a vice president of the Company in February 2013, and he was primarily responsible for investment development and the overall management of certain property development projects of the Group. Currently, Mr. SU is primarily responsible for overseas development and the management of certain overseas property development projects of the Group.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**LAI Ming, Joseph (黎明)**, aged 69, was appointed as an independent non-executive Director in December 2006 and is currently the chairman of the audit committee of the Company and a member of the remuneration committee and nomination committee of the Company. Mr. LAI is a fellow member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”), CPA Australia, the Chartered Institute of Management Accountants (“CIMA”) and the Hong Kong Institute of Directors. Mr. LAI was one of the co-founders of the Hong Kong Branch of CIMA founded in 1973 and was its president in 1974/75 and 1979/80. He was the president of the HKICPA in 1986. Mr. LAI is an independent non-executive director of Jolimark Holdings Limited and R&F and retired as an independent non-executive director of Shinhint Acoustic Link Holdings Limited on 23 May 2014, all of which are companies whose shares are listed on the Stock Exchange. Mr. LAI also holds directorships in several private companies engaging in property development in Canada. He is also an independent non-executive director of Nan Fung Group Holdings Limited.

**SHEK Lai Him, Abraham (石禮謙)** G.B.S., J.P., aged 69, was appointed as an independent non-executive Director in December 2006 and is currently a member of the audit committee and the remuneration committee of the Company. Mr. SHEK graduated from the University of Sydney and holds a Bachelor of Arts degree and a Diploma in Education. Mr. SHEK was appointed a Justice of the Peace in 1995 and was awarded the Gold Bauhinia Star by the Government of the HKSAR in 2013. Mr. SHEK is a member of the Hong Kong Legislative Council representing the Real Estate and Construction Functional Constituency, a member of the Court of Hong Kong University of Science and Technology, a member of Court and Council of University of Hong Kong, and a vice chairman of the Independent Police Complaints Council. Mr. SHEK is an independent non-executive director of Midas International Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings Limited, ITC Corporation Limited, Hop Hing Group Holdings Limited, MTR Corporation Limited, SJM Holdings Limited, Paliburg Holdings Limited, Lai Fung Holdings Limited, Chuang’s Consortium International Limited, China Resources Cement Holdings Limited, Dorsett Hospitality International Limited and Cosmopolitan International Holdings Limited, the vice chairman and an independent non-executive director of ITC Properties Group Limited, and the chairman and an independent non-executive director of Chuang’s China Investments Limited, all of which are companies whose shares are listed on the Stock Exchange, as well as a director of The Hong Kong Mortgage Corporation Limited. Mr. SHEK ceased to be an independent non-executive director of Titan Petrochemicals Group Limited with effect from 27 February 2014 and of Hsin Chong Construction Group Limited with effect from 12 May 2014, all of which are companies whose shares are listed on the Stock Exchange.

Mr. SHEK is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust), both trusts are listed on the Stock Exchange. Mr. SHEK also holds

directorships in Macau Horse Racing Company Limited and Macau Jockey Club, both of which were incorporated in Macau, Jetstar Hong Kong Airways Limited and several property-related private companies.

**TONG Wui Tung, Ronald** (唐滙棟), aged 64, was appointed as an independent non-executive Director in December 2006. He is the chairman of the remuneration committee of the Company and a member of the audit committee and the nomination committee of the Company. He has been practicing as a solicitor in Hong Kong for over 30 years and is a partner of the law firm, Messrs. Cheung Tong & Rosa Solicitors. He is also a Notary Public and a China Appointed Attesting Officer, and was admitted as a solicitor in several other jurisdictions. Mr. TONG is currently a non-executive director of Yip's Chemical Holdings Limited, a company whose shares are listed on the Stock Exchange.

**HUANG Hongyan** (黃洪燕), aged 44, was appointed as an independent non-executive Director in December 2012, a member of the audit committee, the remuneration committee and the nomination committee of the Company. Mr. HUANG graduated from the Department of Finance, the School of Economics of Jinan University and holds a Bachelor of International Finance degree, and is also qualified as a Chinese certified public accountant, a Chinese certified tax agent, a Chinese certified public valuer, a certified internal auditor and a corporate accountant. Currently, Mr. HUANG serves as a general manager of Foshan Yestar Consulting Co., Ltd. and a director of Guangdong Jiayang Investment Co., Ltd. Mr. HUANG is an independent non-executive director of Guangdong Vanward New Electric Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange and Guangdong Rifeng Electric Cable Co., Ltd..

**HUANG Xiao** (黃曉), aged 47, was appointed as an independent non-executive Director in December 2012, a member of the audit committee, the remuneration committee and the nomination committee of the Company. Ms. HUANG graduated from Jinan University and holds a Bachelor of Accounting degree. Ms. HUANG also graduated from the University of New South Wales, Australia and holds a Master of Commerce degree with a major in international accounting. Ms. HUANG is qualified as a Chinese certified public accountant and a senior accountant. Currently, Ms. HUANG serves as the officer of the examination and training department of Guangdong Provincial Institute of Certified Public Accountants, a member of registration committee of Guangdong Provincial Institute of Certified Public Accountants and a bidding assessment expert of Stated-owned Assets Supervision and Administration Commission, the People's Government of Guangdong Province.

**LIU Hongyu** (劉洪玉), aged 51, was appointed as an independent non-executive Director in May 2013. Mr. LIU graduated from Tsinghua University with a bachelor's degree in structural engineering and a master's degree in management engineering, and is a qualified real estate appraiser in the PRC. Mr. LIU was a professor in the Department of Civil Engineering of Tsinghua University from June 1996 to April 2000, and since April 2000, he has been a professor in the Department of Construction Management of Tsinghua University. Since 2007, he has been the director of the Institute of Real Estate Studies, Tsinghua University. His research focuses on real estate economics, real estate investment and finance, housing policies and land management. From April 2006 to March 2012, Mr. LIU served as an independent director of COFCO Property (Group) Co., Ltd.. Currently, Mr. LIU served as an independent director of China Merchants Property Development Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange, and an independent non-executive director of Franshion Properties (China) Limited, a company whose shares are listed on the Stock Exchange. Mr. LIU is a vice chairman of the China Institute of Real Estate Appraisers and Agents and a director of Asian Real Estate Society. He is also an honorary professor of the University of Hong Kong and a Fellow of the Royal Institution of Chartered Surveyors of the United Kingdom. Mr. LIU has over 25 years of experience in real estate, construction and engineering.

**MEI Wenjue** (梅文珏), aged 44, was appointed as an independent non-executive Director in May 2013. Mr. MEI graduated from Sun Yat-Sen University with a bachelor's degree in English language and literature and

a master's degree in public administration, and obtained a master's degree in business administration from the School of Management of Cranfield University in United Kingdom. Mr. MEI served as a director of safety management system office, the secretary of safety committee and safety information manager of China Southern Airline ("CSA"), and the deputy representative of CSA in the safety security and quality functional executives of Skyteam. Currently, Mr. MEI serves as the chief representative of the Shenzhen Office of China Europe International Business School. Mr. MEI is an independent non-executive director of Miko International Holdings Limited, a company whose shares are listed on the Stock Exchange.

**YEUNG Kwok On (楊國安)**, aged 53, was appointed as an independent non-executive Director on 1 April 2014. Mr. YEUNG obtained his doctorate degree in Strategic Human Resource Management at the University of Michigan in 1990 and a master degree in Management at the University of Hong Kong (Faculty of Social Sciences) in 1986. Mr. YEUNG is Philips Chair Professor of Human Resource Management at China Europe International Business School. Mr. YEUNG is also President of Organizational Capability Learning Association. He also served as the Chief Human Resources Officer of Acer Group. Over the years, he was the senior advisor for a wide range of companies, including Tencent, Alibaba, Taiwan Semiconductor Manufacturing Company, MaryKay, Antai Insurance, and TCL-Thomson. As one of the leading experts in strategic human resource management, he has published eight books and over twenty articles, including "Organizational Capability-Secrets of Sustainable Business Success" and "Breaking through in Organizational Capabilities". Mr. YEUNG was recognized by "Business Horizon" magazine in the U.S. as one of the next generation "Executive Development Guru". Mr. YEUNG was awarded "HR Executive of the Year" and "Distinguished Contribution Award of the Year" by Smart Fortune Magazine in China in recognition of his influential contribution in strategic human resource management in Greater China region. In addition, he also chaired the Regional Judge Committee for selecting "Best Employers in Asia" sponsored by Hewitt, Asia Wall Street Journal and Far Eastern Economic Review.

#### COMPANY SECRETARY

**HUEN Po Wah (禰寶華)**, aged 65, was appointed as the secretary of the Company in March 2007. He is an associate of The Hong Kong Institute of Chartered Secretaries and also an associate of The Institute of Chartered Secretaries and Administrators. Mr. HUEN is also a director of Fair Wind Secretarial Services Limited. He has over 30-year experience in company administration and secretarial fields and has served many listed companies over the years.

#### SENIOR MANAGEMENT

**WANG Shaojun (王少軍)**, aged 49, is a vice president of the Company. Mr. WANG graduated from Harbin Institute of Architecture and Engineering (哈爾濱建築工程學院) (currently known as Civil Engineering School of Harbin Institute of Technology (哈爾濱工業大學土木工程學院)) with a bachelor's degree in industrial and civil architectures and a master's degree in structural engineering and is a qualified PRC senior civil engineer. Prior to joining the Group in 2013, Mr. WANG worked in Dalian Wanda Commercial Properties Co., Ltd. as the general manager of its Guangzhou company responsible for property development; and worked in Fantasia Holdings Group Co. Ltd. as the executive vice president responsible for the management and operation of property development business. Mr. WANG has 21 years of experience in management of property development.

**FAN Jie (樊杰)**, aged 46, is a vice president of the Company. Mr. FAN graduated from Harbin Institute of Architecture and Engineering (哈爾濱建築工程學院) (currently known as Civil Engineering School of Harbin Institute of Technology (哈爾濱工業大學土木工程學院)) with a bachelor's degree of international engineering management and is a qualified PRC senior civil engineer. Prior to joining the Group, Mr. FAN worked in China

Overseas Holdings Limited for seven years and worked in various subsidiaries of China Overseas Property Co., Ltd. in Shanghai, Tianjin and Zhongshan as the general manager responsible for property development. He also worked in Coastal Property Investment (China) Co., Ltd. as the general manager of southern region responsible for real estate development and operation in various cities. Mr. FAN has 23 years of experience in engineering management and real estate development.

**LI Xiaolin (黎曉林)**, aged 42, is a vice president of the Company. Mr. LI graduated from the Department of Civil Engineering of Tsinghua University with a bachelor's degree of architecture and structural engineering and Guanghua School of Management of Peking University with EMBA, and is a qualified PRC architecture engineer and a qualified real estate appraiser in PRC. Mr. LI is primarily responsible for the operation and management of some of the Group's property development projects. Prior to joining the Group in 2008, Mr. LI worked in Zhuhai Zhuguang Architecture Design Engineering Company responsible for architecture design, as well as in various property developers, namely New Home (Zhuhai) Real Estate Co. Ltd., Zhongshan Paramount Development Co., Ltd. and China Vanke Co., Ltd., responsible for real estate development and management. Since 2008, Mr. LI is responsible for the overall operation, management and sustainable development of real estate projects in certain regions under his supervision. Mr. LI has 17 years of experience in the management of real estate development.

**PENG Zhibin (彭志斌)**, aged 41, is a vice president of the Company. Mr. PENG graduated from Hefei University of Technology (合肥工業大學) with a bachelor's degree of civil engineering in 1996, Wuhan University (武漢大學) with a master's degree in business administration (MBA) in 2003, and China Europe International Business School with EMBA in August 2014. Mr. PENG is primarily responsible for the human resources management of the Group. Prior to joining the Group in 2010, Mr. PENG worked in China Railway Siyuan Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司), namely as an engineer and as a responsible person of professional design. Mr. PENG worked in ZTE Corporation (中興通訊股份有限公司) as a cadre management manager of the human resources management center and responsible person of human resources (Middle East region) from 2003 to 2006; worked in Watson Wyatt Worldwide (華信惠悅諮詢公司) as a consultant and a project manager from 2006 to 2008; and worked in COFCO Property (Group) Co., Ltd. (中糧地產(集團)股份有限公司) as a group vice president of human resources and a director of human resources (southern region) from 2008 to 2010. Mr. PENG has 12 years of experience in the human resources management.

**WANG Zhidun (王志敦)**, aged 44, is a vice president of the Company. Mr. WANG graduated from Shantou University (汕頭大學) majoring in international business laws and is a qualified PRC lawyer. Prior to joining the Group in 2003, Mr. WANG was a partner of Guangdong Bowen Law Office from 1996 to 2003. Mr. WANG has left the Group in 2009. Currently, Mr. WANG is responsible for the investment and development of certain overseas property development projects of the Group.

**ZHANG Zhiyuan (張志遠)**, aged 41, is a vice president of the Company. Mr. ZHANG graduated from Central South University, Changsha Railway Institute, majoring in industrial and civil construction and is a senior engineer. Prior to joining the Group in 2014, Mr. ZHANG was a director and deputy general manager of China Construction Fifth Engineering Division Corp., Ltd. from 1995 to March 2014. Mr. Zhang is responsible for the engineering quality management of the Group.

**WU Bijun (伍碧君)**, aged 40, was appointed as a vice president of the company in April 2014 and is the general manager of Finance & Capital Center of the Company. Ms. WU is also a member of the finance committee. Ms. WU is primarily responsible for the financial and capital management of the Group. Ms. WU has 10 years of experience in property finance funds management and about 20 years of experience in financial management. Prior to joining the Group in 2005, from 1995 to 1998, Ms. WU was responsible for accounting



and auditing management in Jingzhou branch of China Construction Bank in Hubei and gained invaluable experience in the banking and financial aspects. From 1999 to 2002, Ms. WU was the Chief Auditor of Guangdong Foshan Zhixin Certified Public Accountants Co., Ltd. and was responsible for auditing all audit reports which gained extensive experience in auditing. From 2002 to 2005, Ms. WU was responsible for the financial management of foreign investment in Corporate Finance Division of Shunde Finance Bureau and was familiar with government operations. Since 2005, Ms. WU was responsible for financial operations of the Group and played a key role in the initial public offering of the Company in 2007, building and improving the functions of the Group's financial funding system. Ms. WU graduated from department of finance and taxation, Zhongnan University of Economics (now the Central South University of Political Finance) in 1995 with a bachelor's degree of economics, majoring in public finance, and is also qualified as a Chinese certified public accountant and a Chinese certified tax agent. At present, Ms. Wu is studying an EMBA at the China Europe International Business School.

**CHENG Guangyu** (程光燧), aged 34, is a vice president of the company. Mr. CHENG graduated from Department of Civil Engineering of Tsinghua University with a bachelor and doctor degree of Civil Engineering. Mr. CHENG is studying a part-time EMBA in Guanghai School of Management of Peking University and is expected to graduate in November 2014. Mr. CHENG joined the Group in 2007 and was responsible for overall operation management and sustainable development of property projects in certain regions under his supervision since 2012. Starting from 2014, Mr. CHENG is primarily responsible for the overall sales management of the Group. Mr. CHENG has 5 years of experience in civil engineering research and 7 years of experience in management of property development.

## 5. DIRECTORS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

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

### (a) Long positions in the shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of Shares held	Number of underlying Shares held	Total number of Shares held	Percentage of the Company's issued share capital as at the Latest Practicable Date	Amount of debentures held
Mr. YEUNG Kwok Keung	Interest of controlled corporation	66,060,000	—	66,060,000 <sup>1</sup>	0.35%	US\$11,000,000 <sup>2</sup>
Ms. YANG Huiyan	Interest of controlled corporation	12,106,808,946	—	12,106,808,946 <sup>3</sup>	59.49%	—
Mr. MO Bin	Beneficiary of a trust	3,000,000	—	3,000,000	0.01%	—
Mr. ZHU Rongbin	Beneficial owner	2,068,000	—	2,068,000	0.01%	—
Mr. WU Jianbin	Beneficial owner	3,000,000	—	3,000,000	0.01%	—
Mr. YANG Erzhu	Interest of controlled corporation	1,019,733,743	—	1,019,733,743 <sup>4</sup>	5.34%	—
Mr. SU Rubo	Interest of controlled corporation	749,437,312	—	749,437,312 <sup>5</sup>	3.93%	—
Mr. OU Xueming	Interest of controlled corporation	772,144,068 <sup>6</sup>	—	—	—	—
	Beneficial owner	—	954,039 <sup>7</sup>	773,098,107	4.05%	—
Mr. YANG Zhicheng	Beneficial owner	—	1,493,845 <sup>7</sup>	1,493,845	0.01%	—
Mr. XIE Shutai	Interest of spouse	844,937	—	844,937 <sup>8</sup>	0.01%	—
Mr. LIANG Guokun	Interest of spouse	1,570,254	—	1,570,254 <sup>9</sup>	0.01%	—
Mr. SU Baiyuan	Beneficial owner	436,096	—	—	—	—
	Interest of spouse	419,643 <sup>10</sup>	—	855,739	0.01%	—
Mr. LAI Ming, Joseph	Beneficial owner	—	1,000,000 <sup>7</sup>	1,000,000	0.01%	—
Mr. SHEK Lai Him, Abraham	Beneficial owner	—	1,000,000 <sup>7</sup>	1,000,000	0.01%	—
Mr. TONG Wui Tung, Ronald	Beneficial owner	—	1,000,000 <sup>7</sup>	1,000,000	0.01%	—

*Notes:*

- These Shares represent Shares held by Kenpac Investments Limited and Jolly Faith in which Mr. YEUNG Kwok Keung beneficially owns 90% and 50% of the issued share capital respectively.
- These debentures represent the US\$900 million 11.25% senior notes due 2018 held by Joy House Enterprises Limited and Kenpac Investments Limited in which Mr. YEUNG Kwok Keung beneficially owns 99% and 90% of the issued share capital, respectively.
- These Shares and/or underlying Shares represent Shares and/or underlying Shares held by Concrete Win, Golden Value, Genesis Capital and Jolly Faith in which Ms. YANG Huiyan beneficially owns 100%, 100%, 100% and 50% of the issued share capital respectively.

4. These Shares represent shares held by Automic Group Limited in which Mr. YANG Erzhu beneficially owns the entire issued share capital.
5. These Shares represent shares held by Easy Hope Holdings Limited in which Mr. SU Rubo beneficially owns the entire issued share capital.
6. These Shares represent shares held by Highlander Group Limited in which Mr. OU Xueming beneficially owns the entire issued share capital.
7. The relevant interests are unlisted physically settled Share Options granted pursuant to the Share Options Scheme. Upon exercise of the Share Options in accordance with the Share Option Scheme, Shares in the share capital of the Company are issuable. The Share Options are personal to the respective Directors. Further details of the Share Options are set out in the “General Information” section of this prospectus.
8. These Shares represent shares held by Ms. YANG Congrong being the spouse of Mr. XIE Shutai.
9. These Shares represent shares held by Ms. MA Minhua being the spouse of Mr. LIANG Guokun.
10. These Shares represent shares held by Ms. LIU Qing being the spouse of Mr. Su Baiyuan.

**(b) Short positions in the shares, underlying shares and debentures of the Company**

Name of Director	Capacity	Number of Shares held	Number of underlying Shares held	Total number of Shares held	Percentage of the Company's share capital as at the Latest Practicable Date	Amount of debentures held
Ms. YANG Huiyan	Trustee (other than a bare trustee)	3,000,000	—	3,000,000 <sup>1</sup>	0.01%	—

*Note:*

1. These Shares and/or underlying Shares represent Shares and/or underlying Shares held by Golden Value in which Ms. YANG Huiyan beneficially owns 100% of the issue share capital

**(c) Long positions in the shares of associated corporations of the Company**

Name of Director	Name of associated corporation	Capacity	Number of ordinary shares held	Percentage to the issued share capital as at the Latest Practicable Date
Ms. YANG Huiyan	Concrete Win	Beneficial owner	2	100%
Ms. YANG Huiyan	Genesis Capital	Beneficial owner	50,000	100%

Save as disclosed above, at the Latest Practicable Date, none of the Company's Directors, chief executive or their respective associates had any other personal, family, corporate and other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## 6. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

At the Latest Practicable Date, according to the register kept by the Company under Section 336 of the SFO, the following companies and persons, other than the Directors or chief executive of the Company, had long positions of 5% or more in the shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

### Long positions in the shares of Company

Name of Shareholder	Capacity	Number of ordinary shares held	Percentage to the issued share capital as at the Latest Practicable Date
Concrete Win	Beneficial owner	9,778,650,013 <sup>1</sup>	48.04%
Genesis Capital	Beneficial owner	2,240,000,000 <sup>2</sup>	11.00%
Automic Group	Beneficial owner	1,019,733,743 <sup>3</sup>	5.34%

Notes:

1. These Shares are held by Concrete Win, the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.
2. These Shares are held by Genesis Capital, the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.
3. These Shares are held by Automic Group Limited, the entire issued share capital of which is beneficially owned by Mr. YANG Erzhu.

Save as disclosed above, at the Latest Practicable Date, the Company has not been notified of any other person (other than the Directors and chief executive of the Company) who had an interest or short position of 5% or more in the shares and underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

## 7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service agreement with any member of the Group which will not expire or is not determinable within one year without payment of compensation other than statutory compensation.

## 8. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

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

As the Latest Practicable Date, save as disclosed under paragraph headed "Continuing Connected Transactions" in the annual report of the Company for the year ended 31 December 2013, no contracts of significance in relation to the Company's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

**9. QUALIFICATION AND CONSENT OF EXPERT**

The following is the qualification of the expert who has provided its advice for inclusion in this Prospectus:

<u>Name</u>	<u>Qualification</u>
PricewaterhouseCoopers	Certified Public Accountants

PricewaterhouseCoopers has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letters, reports and/or summary of its opinions (as the case may be) and references to its name in the form and context in which they respectively appear herein.

As at the Latest Practicable Date, PricewaterhouseCoopers was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and PricewaterhouseCoopers did not have any interest, either directly or indirectly, in any assets which have been, since 31 December 2013 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

**10. CORPORATE INFORMATION**

<b>Registered office of the Company</b>	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Principal place of business of the Company in the PRC</b>	Country Garden Centre No.1 Country Garden Road Beijiao Town, Shunde District, Foshan Guangdong Province 528312 PRC
<b>Principal place of business of the Company in Hong Kong</b>	Rooms 901-904 9/F, Manulife Provident Funds Place 345 Nathan Road Kowloon Hong Kong
<b>Company secretary</b>	Mr. HUEN Po Wah ( <i>ACS, ACIS</i> )
<b>Auditor</b>	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22 <sup>nd</sup> Floor, Prince's Building Central Hong Kong

<b>Authorised representative of the Company</b>	<p>Ms. YANG Huiyan Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong</p> <p>Mr. MO Bin Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong</p> <p>Mr. WU Jianbin (alternate to Ms. YANG Huiyan) Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong</p> <p>Ms. SIN Lai Lan (alternate to Mr. MO Bin) Suite 1102, 11/F, Dina House Ruttonjee Centre 11 Duddell Street Central Hong Kong</p>
<b>Principal share registrar and transfer office</b>	<p>Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands</p>
<b>Hong Kong branch share registrar and transfer office</b>	<p>Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong</p>
<b>Principal bankers</b>	<p>Agricultural Bank of China Limited 25/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong</p>

Bank of China Limited  
Bank of China Tower  
1 Garden Road  
Central  
Hong Kong

Industrial and Commercial Bank of China  
Limited  
33/F, ICBC Tower  
3 Garden Road  
Central  
Hong Kong

China Construction Bank Corporation  
CCB Tower  
3 Connaught Road  
Central  
Hong Kong

The Hongkong and Shanghai Banking  
Corporation Limited  
HSBC Main Building  
1 Queens Road  
Central  
Hong Kong

The Bank of East Asia, Limited  
10 Des Voeux Road  
Central  
Hong Kong

Hang Seng Bank Limited  
83 Des Voeux Road  
Central  
Hong Kong

## 11. PARTIES INVOLVED IN THE RIGHTS ISSUE

### Joint Underwriters (*in alphabetical order*)

Goldman Sachs (Asia) L.L.C.  
68<sup>th</sup> Floor, Cheung Kong Center  
2 Queen's Road Central  
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited  
28<sup>th</sup> Floor, Chater House  
8 Connaught Road Central  
Hong Kong

**Legal Advisers to the Company***As to Hong Kong and US law*

Sidley Austin  
Level 39  
Two International Financial Centre  
8 Finance Street  
Central, Hong Kong

*As to Cayman Islands law*

Conyers Dill & Pearman (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**Legal adviser to the Joint Underwriters***As to Hong Kong and US law*

Freshfields Bruckhaus Deringer  
11<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**Reporting accountants**

PricewaterhouseCoopers  
*Certified Public Accountants*  
22<sup>nd</sup> Floor, Prince's Building  
Central  
Hong Kong

**Hong Kong branch share registrar and transfer office in Hong Kong**

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

**12. MATERIAL CONTRACTS**

As at the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding the date of this Prospectus which are or may be material:

- (a) the facility agreement dated 1 September 2014 among the Company, Goldman Sachs Bank USA and JPMorgan Chase Bank, N.A., Hong Kong Branch, pursuant to which Goldman Sachs Bank USA and JPMorgan Chase Bank, N.A., Hong Kong Branch have made available to the Company a term loan facility in an aggregate amount of US\$400 million; and
- (b) the Underwriting Agreement.



**13. LITIGATION**

As at the Latest Practicable Date, no member of the Group is engaged in any litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

**14. EXPENSES**

The expenses in connection with the Rights Issue, including the financial advisory fee, underwriting commission, printing, registration, translation, legal and accounting charges are estimated to amount to approximately HK\$25.9 million and will be payable by the Company.

**15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of this Prospectus, together with copies of the PAL and EAF and the written consent referred to in the paragraphs headed “Qualification and Consent of Expert” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**16. LEGAL EFFECT**

The Rights Issue Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

**17. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the principal place of business of the Company at Rooms 901–904, 9/F, Manulife Provident Funds Place, 345 Nathan Road, Kowloon, Hong Kong during normal business hours (i.e. from 8:30 a.m. to 12:00 p.m. and from 1:30 p.m. to 6:00 p.m.) from Monday to Friday unless (i) a tropical cyclone warning signal number 8 or above is hoisted, or (ii) a black rainstorm warning signal is issued, except public holidays, from the date of this Prospectus up to and including 6 October 2014:

- (a) the letter from the Board, the text of which is set out on pages 22 to 51 of this Prospectus;
- (b) the interim report of the Company for the six months ended 30 June 2014 and the annual reports of the Company for the financial years ended 31 December 2011, 2012 and 2013;
- (c) the assurance report on the unaudited pro forma financial information of the Group from PricewaterhouseCoopers as set out in Appendix II to this Prospectus;
- (d) the written consent referred to in the paragraphs headed “Qualification and Consent of Expert” in this appendix;
- (e) the material contracts of the Company listed in the paragraph headed “Material Contracts” in Appendix III to this Prospectus;
- (f) the memorandum and articles of association of the Company; and
- (g) this Prospectus.

**18. MISCELLANEOUS**

The secretary of the Company is Mr. HUEN Po Wah, an associate of the Hong Kong Institute of Chartered Secretaries and also an associate of The Institute of Chartered Secretaries and Administrators.

The Company's Registrar and transfer office in Hong Kong is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The English text of this Prospectus shall prevail over the Chinese text in case of any inconsistency.