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HSIN CHONG CONSTRUCTION GROUP LTD.
新昌營造集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00404)

- (1) PROPOSED RIGHTS ISSUE OF RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$1.00 EACH
ON THE BASIS OF THREE RIGHTS SHARE
FOR EVERY TEN EXISTING SHARES
HELD ON THE RECORD DATE;**
- (2) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
AND**
- (3) CLOSURE OF REGISTER OF MEMBERS**

Financial Adviser to the Company



**Underwriter of the Rights Issue
Summit View Holdings Limited**

Placing Agents



* for identification purposes only

Reference is made to (i) the announcements of Hsin Chong Construction Group Ltd. (the “Company”) dated 15 May 2014 and 4 November 2014 (together the “Transaction Announcements”) in relation to, among others, the acquisition of a property development project in the PRC involving the issue of Convertible Preference Shares and the proposed increase in authorised share capital; (ii) the circular of the Company dated 4 November 2014 (the “Circular”) in relation to the acquisition of a property development project in the PRC, a proposed rights issue and a placing of new Shares under specific mandate in conjunction with the Acquisition; and (iii) the announcement of the Company dated 27 November 2014 in relation to the poll results of the SGM held on 27 November 2014 (the “Poll Results Announcement” and together with the Transaction Announcements, the “Announcements”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as ascribed to them in the Announcements and the Circular.

The Board is pleased to announce that on 27 November 2014 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter to implement the Rights Issue and the Placing Agreement with the Placing Agents in respect of the Placing.

PROPOSED RIGHTS ISSUE

The Company proposes to issue not less than 857,449,995 Rights Shares (assuming no further issue of new Shares on or before the Record Date) and not more than 904,101,195 Rights Shares (assuming the existing Share Options and Unlisted Warrants are fully exercised and converted into Shares on or before the Record Date) at the subscription price of HK\$1.00 per Rights Share. Total gross proceeds to be raised from the Rights Issue is expected to range from approximately HK\$857.4 million to approximately HK\$904.1 million, respectively, before expenses. The Rights Issue is only available to Qualifying Shareholders and will not be available to Non-Qualifying Shareholders. The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares. All nil-paid Rights Shares arising from aggregation of fraction of Rights Shares (rounded down to the nearest whole number) will be provisionally allotted (in nil-paid form) to a nominee of the Company, and the Company shall procure such nominee to use reasonable endeavours to sell those aggregated nil-paid Rights Shares in the market for the benefit of the Company if a premium (net of expenses) can be obtained.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before the Record Date, the aggregate number of 857,449,995 Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue will represent approximately 30.0% of the Company’s total number of Shares now in issue and approximately 23.1% as enlarged by the issue of the Rights Shares.

Assuming 155,504,000 new Shares are issued pursuant to the exercise of all existing Share Options and Unlisted Warrants on or before the Record Date, the aggregate number of 904,101,195 Rights Shares that will be allotted and issued pursuant to the terms of the Rights Issue will represent approximately 31.6% of the total number of Shares now in issue and approximately 23.1% as enlarged by the new Shares to be issued pursuant to the full exercise of the existing Share Options and Unlisted Warrants and the issue of the Rights Shares.

Pursuant to Rule 7.19(6)(a) of the Listing Rules, as the Rights Issue would not increase the number of issued Shares of the Company by more than 50%, the Rights Issue is not conditional on the approval of the Shareholders.

As at the date of this announcement, Win World Profits Limited and the Underwriter are interested in a total of 436,850,000 Shares, representing approximately 15.3% of the issued share capital of the Company. It is a condition precedent to the Underwriter's obligations under the Underwriting Agreement that Win World Profits Limited and the Underwriter respectively deliver Irrevocable Undertaking Letters to the Company and the Underwriter to accept and/or procure the acceptance of their Committed Shares. As at the date of this announcement, the Underwriter has delivered its Irrevocable Undertaking Letter to the Company. The Underwriter has agreed that the Company may also seek an independent third party underwriter to underwrite the issue of any Rights Shares exceeding the Underwritten Shares, in lieu of an Irrevocable Undertaking Letter from Win World Profits Limited.

The Underwriter has conditionally agreed to underwrite the Underwritten Shares. The obligations of the Underwriter to underwrite the Underwritten Shares are conditional on the satisfaction (and/or, as applicable, waiver) of the conditions referred to in the paragraph headed "Part I Proposed Rights Issue – Conditions of the Rights Issue" in this announcement (including completion of the issue of not less than 1,472,960,000 Initial Placing Share with gross proceeds of at least HK\$1,473.0 million under the Placing Agreement and completion of the Acquisition Agreement on the Settlement Date). If the conditions are not fulfilled (and/or waived, if capable of being waived) or either the Underwriting Agreement or the Placing Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

PLACING OF NEW SHARES UNDER A SPECIFIC MANDATE

Under the Placing Agreement, the Placing Agents have conditionally agreed to procure severally not less than six independent placees on a best efforts basis to subscribe for a minimum of 1,472,960,000 Initial Placing Shares at a price of HK\$1.00 per Placing Share. Each Placing Agent is required, no later than 6:00 p.m. on the Stock Exchange trading day immediately preceding the Acceptance Date, to notify the Company by way of a commitment notice the number of Placing Shares for which it has procured subscribers. Each Placing Agent that gives a commitment notice will be obliged on Completion to procure subscribers for, or failing which itself to subscribe for the Placing Shares specified

in its commitment notice. If none of the Placing Agents give any commitment notice, or if the the commitment notice(s) received by the Company relate(s) to less than 1,472,960,000 Placing Shares, then after consultation with the Placing Agents, the Company and/or either of the Placing Agents may terminate the Placing Agreement. If the commitment notice(s) given relate(s) to not less than 1,472,960,000 Placing Shares, the Placing Agents may require the Company to issue at Completion at the Placing Price further Placing Shares, which when aggregated with their committed Placing Shares under their commitment notice(s), must not exceed the 1,767,552,000 Placing Shares. If and to the extent that the commitment notice(s) or any notice to issue additional Placing Shares exceed the maximum of 1,767,552,000 Placing Shares, the Placing Shares up to (but not exceeding) that maximum number of Placing Shares will be allocated to the Placing Agents in accordance with the terms of the Placing Agreement.

The Placing Price is same as the Subscription Price of the Rights Shares, which represents (i) a premium of approximately 6.38% to the closing price of HK\$0.940 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 6.61% to the average closing price of HK\$0.938 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and (iii) a premium of approximately 6.04% to the average closing price of HK\$0.943 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day. On the assumption that 1,472,960,000 Initial Placing Shares are successfully placed, the gross proceeds of the Placing will be approximately HK\$1,473.0 million and the net proceeds of the Placing (after deduction of relevant expenses in the estimate amount of approximately HK\$54.5 million) will amount to approximately HK\$1,418.5 million. If the Over-allotment Shares are issued in full, the Company expects to have additional gross and net proceeds of approximately HK\$294.6 million and HK\$288.7 million respectively.

The Placing Shares will be issued under the specific mandate sought by the Directors and approved by the Shareholders by way of poll at the SGM held on 27 November 2014.

Assuming 1,472,960,000 Initial Placing Shares are successfully placed, the Initial Placing Shares will represent approximately 51.5% of the Company's total number of Shares now in issue, approximately 34.0% as enlarged by the issue of the Initial Placing Shares, and approximately 28.4% as enlarged by the issue of the Initial Placing Shares and the minimum number of the Rights Shares.

Assuming 1,767,552,000 Placing Shares (being the aggregate of 1,472,960,000 Initial Placing Shares and 294,592,000 Over-allotment Shares) are successfully placed, the Placing Shares will represent approximately 61.8% of the Company's total number of Shares now in issue, approximately 38.2% as enlarged by the issue of the Placing Shares, and approximately 32.2% as enlarged by the issue of the Initial Placing Shares, the Over-allotment Shares and the minimum number of the Rights Shares.

Completion of the Placing is conditional upon the satisfaction (and/or, applicable, waiver) of the conditions referred to in the paragraph headed “Part II The Placing Agreement – Conditions of the Placing” in this announcement (including the Underwriting Agreement becoming unconditional) and completion of the Acquisition and the Rights Issue on the Settlement Date. In addition, the Placing Agreement may be terminated under circumstances described below.

REASONS FOR THE PROPOSED RIGHTS ISSUE AND PLACING AND USE OF PROCEEDS

On 15 May 2014, the Company announced the Acquisition of the Property. As a condition precedent to completion of the Acquisition, the Company has stated in the Circular that it intends to raise by a combination of (i) rights issue and (ii) placing under a specific mandate for a minimum of HK\$2,000 million and up to HK\$4,375 million (before expenses) to provide fresh working capital for further development of the Property and other existing projects and businesses of the Group. The Rights Issue and the Placing therefore are essential not only for completion of the Acquisition but also in providing fresh capital for the Company to take over and continue the development of the Property and the Group’s other businesses without substantially draining on the existing liquidity or otherwise substantially increase the leverage ratio of the Group. For details of the reasons for the Rights Issue and the Placing and intended use of proceeds raised, please refer to the section headed “Reasons for the Rights Issue and Placing and Use of Proceeds” in this announcement.

OVERALL EFFECT ON SHAREHOLDING

Reference is made to the Circular in relation to, among other things, the issue of Convertible Preference Shares to the Vendor as part of the consideration for the Acquisition and both the Rights Issue and the Placing forming part of the conditions precedent for the Acquisition.

Assuming that (i) no further issue of new Shares on or before the Record Date and 857,449,995 Rights Shares will be issued under the Rights Issue; (ii) only 1,472,960,000 Initial Placing Shares are successfully placed and accordingly issued under the Placing; and (iii) a total of 5,695,833,333 Consideration Preference Shares (based on the minimum Acquisition consideration of HK\$6,835 million and an issue price of HK\$1.2 per Consideration Preference Share) being issued and fully converted into the Conversion Shares, the Rights Shares and the Initial Placing Shares will represent approximately 7.9% and 13.5%, respectively, of the Company’s total number of Shares as enlarged by the issue of the Rights Shares, the Initial Placing Shares and the Conversion Shares.

Assuming that (i) 155,504,000 new Shares are issued pursuant to the exercise of all existing Share Options and Unlisted Warrants on or before the Record Date and accordingly up to 904,101,195 Rights Shares under the Rights Issue will be issued; (ii) the maximum of 1,767,552,000 Placing Shares (being the aggregate of the Initial Placing Shares and the Over-allotment Shares) are successfully placed under the Placing; and (iii) a total of 6,406,250,000 Consideration Preference Shares (based on the maximum Acquisition consideration of HK\$10,812.5 million minus HK\$3,125.0 million to be paid in cash and an issue price of HK\$1.2 per Consideration Preference Share) being issued and fully converted into the Conversion Shares, the Rights Shares and the Placing Shares (including the Initial Placing Shares and the Over-allotment Shares) will represent approximately 7.5% and 14.6%, respectively, of the Company's total number of Shares as enlarged by the issue of the new Shares pursuant to the full exercise of the existing Share Options and the Unlisted Warrants, the Rights Shares, the Placing Shares and the Conversion Shares.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

Shareholders and investors should note, among others, that (i) the Rights Issue is implemented in conjunction with the Placing and that completion of the Rights Issue and the Placing forms part of the conditions precedent for the Acquisition; (ii) each of the Rights Issue and the Placing is conditional upon the completion of certain conditions precedent contained in the Underwriting Agreement and the Placing Agreement, respectively; (iii) the completion of the Rights Issue will not take place if less than 1,472,960,000 Placing Shares under the Placing Agreement are successfully placed; and (iv) each of the Rights Issue and the Placing is capable of being terminated by the Underwriter and the Placing Agents, respectively, upon the occurrence of certain force majeure events. If either the Underwriting Agreement or the Placing Agreement does not become unconditional or is terminated, both the Rights Issue and the Placing will not proceed, and accordingly the Acquisition will not become unconditional and will not proceed without alternative equity or equity-linked fund raising of not less than HK\$2,000 million (before expenses).

Shareholders or other persons dealing in the Shares up to the date on which the Acquisition, the Rights Issue and the Placing all become unconditional and the date on which the right of termination of each of the Underwriting Agreement and the Placing Agreement ceases, and any persons dealing in the nil-paid Rights Shares during the period from Thursday, 11 December 2014 to Thursday, 18 December 2014 (both days inclusive) will accordingly bear the risk that the Rights Issue, the Placing and the Acquisition may not become unconditional or may be terminated and may not proceed.

If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 5 December 2014 to Monday, 8 December 2014 (both dates inclusive) during which period no transfer of Shares will be registered.

TRADING ARRANGEMENT

The last day for dealing in the Shares on a cum-rights basis is Tuesday, 2 December 2014. The Shares will be dealt with on an ex-rights basis from Wednesday, 3 December 2014. The Rights Shares are expected to be dealt in their nil-paid form from Thursday, 11 December 2014 to Thursday, 18 December 2014 (both days inclusive). The latest time for acceptance of, and payment for the Rights Shares and application and payment for excess Rights Shares is expected to be 4:00 p.m. on Tuesday, 23 December 2014 or such later date as the Company and the Underwriter may agree.

To qualify for the Rights Issue, a Shareholder or an investor must: (a) be registered as a member of the Company on Monday, 8 December 2014, 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, all transfer documents of the Shares must be lodged (together with the relevant share certificate(s)) with the Registrar, Computershare Hong Kong Investor Services Limited, by 4:30 p.m. on Thursday, 4 December 2014.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the (i) Rights Shares in both nil-paid and full-paid forms; and (ii) the Placing Shares. For details of the trading arrangements in respect of the Rights Issue, please refer to the section headed “Part I Proposed Rights Issue – Expected timetable for the Rights Issue” in this announcement.

PART I PROPOSED RIGHTS ISSUE

The terms of the Rights Issue are set out below:

Issue Statistics

Basis of the Rights Issue	:	Three (3) Rights Shares for every ten (10) Shares held on the Record Date
Number of Shares in issue as at the date of this announcement	:	2,858,166,655 Shares
Maximum number of Shares which may be issued pursuant to the existing Share Options on or before the Record Date	:	30,504,000 Shares

Maximum number of Shares which may be issued pursuant to the existing Unlisted Warrants on or before the Record Date	:	125,000,000 Shares
Number of Rights Shares to be issued	:	Not less than 857,449,995 Rights Shares (assuming none of the existing Share Options and Unlisted Warrants are exercised by 4:30 p.m. on Monday, 8 December 2014) with an aggregate nominal value of HK\$85,744,999.5 Not more than 904,101,195 Rights Shares (assuming all of the existing Share Options and Unlisted Warrants are exercised by 4:30 p.m. on Monday, 8 December 2014) with an aggregate nominal value of HK\$90,410,119.5
Subscription Price	:	HK\$1.00 per Rights Share
Amount to be raised	:	A minimum of approximately HK\$857.4 million before expenses (assuming none of the existing Share Options and Unlisted Warrants are exercised on or before the Record Date) and a maximum of approximately HK\$904.1 million before expenses (assuming full exercise of the existing Share Options and Unlisted Warrants on or before the Record Date)
Underwriter	:	Summit View Holdings Limited
Number of Underwritten Shares	:	Not less than 726,394,995 Rights Shares and not more than 773,046,195 Rights Shares
Underwriting commission	:	2.0% of the Rights Shares subscription proceeds in respect of the Underwritten Rights Shares (to be determined by reference to the Shares in issue on the Record Date)

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued on or before the Record Date, including Shares which may be allotted and issued on or before the Record Date pursuant to the exercise of the existing Share Options and Unlisted Warrants.

As at the date of this announcement, the Company has existing Share Options to subscribe for an aggregate of 30,504,000 Shares and Unlisted Warrants which at the current exercise price will result in the issue of 125,000,000 Shares. The Share Options and Unlisted Warrants are exercisable by the holders thereof to enable them to subscribe for Shares to be allotted and issued to them on or before the Record Date. Assuming full exercise of the existing Share Options and Unlisted Warrants and new Shares having been allotted and issued pursuant to such exercise on or before the Record Date, a total of 155,504,000 new Shares would fall to be allotted and issued, which would result in the allotment and issue of up to 46,651,200 additional Rights Shares.

Save for the existing Share Options and Unlisted Warrants as mentioned above, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the date of this announcement.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before the Record Date, the aggregate number of Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue will represent approximately 30.0% of the Company's total number of Shares now in issue and approximately 23.1% as enlarged by the issue of the Rights Shares.

Assuming 155,504,000 new Shares are issued pursuant to the exercise of all existing Share Options and Unlisted Warrants on or before the Record Date, the aggregate number of Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue will represent approximately 31.6% of the Company's total number of Shares now in issue and approximately 23.1% as enlarged by the new Shares to be issued pursuant to the full exercise of the existing Share Options and Unlisted Warrants and the issue of the Rights Shares.

Qualifying Shareholders

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on or before Tuesday, 9 December 2014. To the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and, as required by the terms of the Share Option Scheme and the Warrant Instrument, to the holders of the existing Share Options and Unlisted Warrants for their information only, but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder or an investor must: (i) be registered as a member of the Company on the Record Date; and (ii) not be a Non-Qualifying Shareholder.

The last day for dealing in the Shares on a cum-rights basis is Tuesday, 2 December 2014. The Shares will be dealt with on an ex-rights basis from Wednesday, 3 December 2014. The Rights Shares are expected to be dealt in their nil-paid form from Thursday, 11 December 2014 to Thursday, 18 December 2014 (both days inclusive). In order to be registered as a member of the Company on the Record Date, all transfer documents of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar of the Company, Computershare Hong Kong Investor Services Limited for registration no later than 4:30 p.m. on Thursday, 4 December 2014.

Holders of the existing Share Options and Unlisted Warrants who wish to participate in the Rights Issue should exercise the subscription rights attaching to the Share Options and Unlisted Warrants in accordance with the terms thereof and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

The latest time for acceptance of Rights Shares is expected to be 4:00 p.m. on Tuesday, 23 December 2014. Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company as a result only of the Rights Issue. If a Qualifying Shareholder does not take up his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Non-Qualifying Shareholders

The Prospectus will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong. As at 26 November 2014, the Company had Overseas Shareholders whose registered addresses are in Canada, China, France, Malaysia, New Zealand, Spain, U.K. and U.S.A.. Based on advice provided by appropriate legal advisers, the Directors consider that such exclusion of Overseas Shareholders whose addresses as shown in the register of members of the Company are in Canada, Malaysia, New Zealand, U.K and U.S.A. is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or requirements of the relevant regulatory body or stock exchange in that place, pursuant to Rule 13.36(2) of the Listing Rules. The Rights Shares will not be offered to such Non-Qualifying Shareholders. The Company will send the Prospectus only (without any PAL and EAF) to the Non-Qualifying Shareholders for their information only, to the extent reasonably practicable having regard to the requirements of the laws of the relevant places.

The Company will make arrangements for Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealing in the nil-paid Rights Shares commences and before dealings in nil-paid Rights Shares end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid to the Non-Qualifying Shareholders in Hong Kong dollars pro rata to their respective shareholding, provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any unsold entitlements of Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

Subscription Price

The Subscription Price for the Rights Shares is HK\$1.00 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for Rights Shares or, where applicable, on application for excess Rights Shares under the Rights Issue. Such Subscription Price represents:

- (i) a premium of approximately 6.38% to the closing price of HK\$0.940 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 6.61% to the average closing price of approximately HK\$0.938 per Share for the five consecutive trading days ended on the Last Trading Day;
- (iii) a premium of approximately 6.04% to the average closing price of approximately HK\$0.943 per Share for the ten consecutive trading days ended on the Last Trading Day; and
- (iv) a premium of approximately 4.84% to the theoretical ex-rights price of approximately HK\$0.954 per Share based on the closing price of HK\$0.940 per Share as quoted on the Stock Exchange on the Last Trading Day and assuming no change in the shareholding structure of the Company from the date of this announcement up to the Record Date.

Based on the Subscription Price of HK\$1.00 and assuming no change in the shareholding structure of the Company from the date of this announcement up to the Record Date, the gross proceeds (before expenses) to be raised by the Company from the Rights Issue will amount to approximately HK\$857.4 million.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares and recent market conditions and the Placing Price.

The Directors consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Please also refer to the section headed "Reasons for the Rights Issue and Placing and the Use of Proceeds" in this announcement for further information.

Basis of provisional allotment

Three (3) Rights Shares will be issued for every ten (10) Shares held at the close of business on the Record Date. Acceptances of all or any part of a Qualifying Shareholder's provisional allotment can be made only by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 4:00 p.m. on the Acceptance Date.

Status of the Rights Shares

The Rights Shares, when allotted and fully-paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all dividends and distributions which are declared, made or paid on the record date for which falls on or after the date of allotment of the Rights Shares.

Fractions of Rights Shares

Fractional entitlements, if any, to Rights Shares will not be issued but will be aggregated and sold, if a premium (net of expenses) can be obtained, for the benefit of the Company. Any unsold Rights Shares arising out of the aggregation of fractions of Rights Shares will be available for excess application on EAFs by Qualifying Shareholders.

Odd lot trading arrangement

To alleviate difficulties in trading odd lots of Shares which may arise as a result of the Rights Issue, the Company has agreed to engage China Galaxy International Securities (Hong Kong) Co., Limited to provide matching services to Shareholders who wish to top up or sell their holdings of odd lots of Shares from Monday, 5 January 2015 to Monday, 26 January 2015 (both days inclusive). Holders of odd lots of Shares who wish to take advantage of this facility either to dispose of their odd lots or top up their odd lots to a full board lot may directly or through their broker contact Mr. Choy Ho Yin of China Galaxy International Securities (Hong Kong) Co., Limited at Unit 3501-3507, 35/F, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Sheung Wan, Hong Kong (telephone number: (852) 3698 6820) during office hours in the aforesaid period. Shareholders should note that matching of the sales and purchases of odd lots of Shares is not guaranteed. Any Shareholder who is in doubt about the odd lot trading arrangement is recommended to consult his/her/its own professional advisers. Shareholders may refer to the section headed "Expected timetable for the Right Issue" of this announcement for the period during which the Company will provide matching service for the sale and purchase of the odd lots of the Shares.

Applications for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, for any Rights Shares provisionally allotted but not accepted and for any unsold Rights Shares arising out of the aggregation of fractional entitlements.

Applications for excess Rights Shares can be made only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and reasonable basis according to the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis as far as practicable, by reference to the number of excess Rights Shares applied for but no reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders. If the number of Rights Shares applied for pursuant to the EAFs exceeds the number of Rights Shares which have not been taken up by the Qualifying Shareholders or persons to whom they have renounced their rights under the PALs, the Directors will allocate the excess Rights Shares at their discretion. No preference will be given to topping up odd lots to whole board lots.

Investors with their Shares held by a nominee should note that the nominee is a single Shareholder for the purposes of the Rights Issue. Accordingly, investors whose Shares are registered in the names of nominees should note that the aforesaid arrangements in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee should consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by nominee(s) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for completion of the relevant registration by 4:30 p.m. on Thursday, 4 December 2014.

The latest time for acceptance of Rights Shares is 4:00 p.m. on Tuesday, 23 December 2014, or such later date or time as may be agreed between the Company and the Underwriter.

Certificates for Rights Shares and refund cheques for the Rights Issue

Subject to the fulfilment (or waiver, where applicable) of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto on or before Friday, 2 January 2015, by ordinary post at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 2 January 2015 by ordinary post to the applicants at their own risk.

Closure of register of members

The register of members of the Company will be closed from Friday, 5 December 2014 to Monday, 8 December 2014 (both days inclusive) for determining the entitlements of the Qualifying Shareholders for the Rights Issue, and accordingly no transfer of Shares will be registered during this period.

Application for listing of the Rights Shares on the Stock Exchange

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the securities of the Company is listed, or dealt in, or for which listing or permission to deal is being or is proposed to be sought, on any other stock exchange. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares (i.e. 2,000 Shares in one board lot).

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of 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 settlement day after the date of the transaction. 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 stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Principal terms of the Underwriting Agreement

Date	:	27 November 2014 (after trading hours)
Underwriter	:	Summit View Holdings Limited
Number of Underwritten Rights Shares	:	Not less than 726,394,995 Rights Shares (assuming no new Shares have been allotted and issued on or before the Record Date) and not more than 773,046,195 Rights Shares (assuming 155,504,000 new Shares have been allotted and issued on or before the Record Date pursuant to full exercise of existing Share Options and Unlisted Warrants but otherwise no other Shares have been allotted and issued on or before the Record Date)
Commission	:	2.0% of the Rights Shares subscription proceeds in respect of the Underwritten Shares (to be determined by reference to the Shares in issue on the Record Date)
Other fees and expenses	:	All reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Rights Issue

The Board considers the terms of the Underwriting Agreement including the rate of commission payable by the Company to be on normal commercial terms (or better to the Company) and fair and reasonable so far as the Company and the Shareholders are concerned.

As at the date of this announcement, Summit View Holdings Limited is a shareholder of the Company holding 221,850,000 Shares, and it is owned as to 50% by Dr. Wong and 50% by Ms. MA Kwing, Pony. Therefore, it is an associate of a connected person of the Company as defined under the Listing Rules. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction of the Company. Pursuant to Rule 14A.92(2)(b) of the Listing Rules, as arrangements have been made in relation to excess applications in compliance with Rule 7.21 of the Listing Rules, the Underwriting Agreement is exempted from all reporting, announcement and independent shareholders' approval requirements under the Listing Rules. It is not the ordinary course of business of Summit View Holdings Limited to underwrite shares.

Under the Underwriting Agreement, the Underwriter has undertaken that it shall use its best endeavours to ensure that each of the subscribers or purchasers (in each case together with their respective ultimate beneficial owners) of the Right Shares procured by it, other than the Underwriter itself and its Associates: (i) shall be third party(ies) independent of, not acting in concert (as such term is defined in the Takeovers Code) with and shall not be connected with the Directors, chief executive or substantial shareholders of the Company or their respective Associates; (ii) shall not, together with party(ies) acting in concert (as such term is defined in the Takeovers Code) with each of them, hold 29.9% (or such other percentage which shall trigger a general offer to be made for the Shares under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue; and (iii) will not own 10% or more of the issued share capital of the Company immediately after the Rights Issue and are not otherwise connected persons of the Company.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled or waived (as appropriate):

1. the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong on or prior to the Posting Date of the Prospectus Documents and all other documents required by law to be filed or delivered for registration;
2. the posting of copies of the Prospectus Documents to the Qualifying Shareholders on the Posting Date;
3. compliance by the Company with certain obligations under the Underwriting Agreement;

4. the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and such listings and permission to deal not having been withdrawn or revoked on or before 9:00 a.m. on the Settlement Date;
5. the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than five (5) trading days (other than any suspension pending clearance of this announcement) and no indication being received before 9:00 a.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
6. delivery to the Company and the Underwriter of the Irrevocable Undertaking Letters duly executed in favour of the Company and the Underwriter or (prior to the receipt by the Company of the Irrevocable Undertaking Letter to be issued by Win World Profits Limited) an additional independent third party underwriter agreeing to subscribe for any Rights Shares in excess of the Underwritten Shares that have not been taken up by Shareholders entitled thereto or pursuant to valid applications under the EAFs on substantially the same terms set out in the Underwriting Agreement;
7. the conditions precedent (other than the conditions precedent in relation to the raising of equity or equity linked financing under the Acquisition Agreement) being fulfilled to the extent not waived;
8. the Placing Agreement not having been terminated; and
9. completion of the issue of not less than 1,472,960,000 Shares pursuant to the Placing Agreement and completion of the Acquisition Agreement on the Settlement Date.

In the event that the conditions 1 to 3 and 6 have not been satisfied and/or (in the case of Condition 3 only) waived in whole or in part by the Underwriter on or before the Posting Date or in the event that the conditions 4, 5 and 7 to 9 have not been satisfied on or before 9.00 a.m. on the Settlement Date (or, in each case, such later date as the Underwriter and the Company may agree), all liabilities of the Company and the Underwriter shall cease and determine and neither party shall have any claim against the other save in respect of antecedent breaches and claims (except that certain expenses of the Underwriter shall remain payable by the Company) and the Undertaking Agreement will lapse and the Rights Issue will not proceed.

Irrevocable Undertakings

As at the date of this announcement, Win World Profits Limited is interested in a total 215,000,000 Shares, representing approximately 7.5% of the issued share capital of the Company, and the Underwriter is interested in 221,850,000 Shares, representing approximately 7.8% of the issued share capital of the Company.

Pursuant to the Underwriting Agreement, it is a condition precedent to the Underwriter's obligations under the Underwriting Agreement that each of Win World Profits Limited and the Underwriter deliver the Irrevocable Undertaking Letters in favour of the Company and the Underwriter. Each Irrevocable Undertaking Letter contains an undertaking by that Shareholder, inter alia, that the Shares held by it or in which it is interested on the date of the Underwriting Agreement will remain registered in its names or that such Shares will remain beneficially owned by them at the close of business on the Record Date and that the Rights Shares to be provisionally allotted to them in respect of those Shares (representing 131,055,000 Rights Shares in aggregate) will be taken up and paid for in full by them. Its obligations under the Irrevocable Undertaking Letters are conditional upon the Underwriting Agreement becoming unconditional in accordance with its terms. If this condition is not fulfilled, all obligations under the Irrevocable Undertaking Letters shall cease and determine and the Irrevocable Undertaking Letter shall lapse. The Underwriter has also undertaken not to apply for any excess Rights Shares.

As at the date of this announcement, the Underwriter has delivered its Irrevocable Undertaking Letter to the Company. The Underwriter has agreed that the Company may also seek an independent third party underwriter to underwrite the issue of any Rights Shares exceeding the Underwritten Shares, in lieu of an Irrevocable Undertaking Letter from Win World Profits Limited.

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by it to the Company at any time prior to 9:00 a.m. on the Settlement Date if there occurs:

- (a) an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- (b) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or

- (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the opinion of the Underwriter, acting reasonably, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 9:00 a.m. on the Settlement Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- (ii) the Underwriter receives notification pursuant to the Underwriting Agreement or shall otherwise become aware of, the fact that any of the representations, warranties or undertakings contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation, warranty or undertaking represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (iii) the Company shall, after any matter or event referred to in the relevant clause of the Underwriting Agreement has occurred or comes to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents), as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

the Underwriting Agreement shall automatically terminate upon the termination of the Placing Agreement.

Expected timetable for the Rights Issue

The expected timetable for the Rights Issue is set out below:

Last day of dealings in Shares on a cum-rights basis	Tuesday, 2 December 2014
First day of dealings in Shares on an ex-rights basis	Wednesday, 3 December 2014
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m, on Thursday, 4 December 2014
Register of members closes (both dates inclusive)	from Friday, 5 December to Monday, 8 December 2014
Record Date	Monday, 8 December 2014
Register of members re-opens	Tuesday, 9 December 2014
Despatch of Prospectus Documents	Tuesday, 9 December 2014
First day of dealings in nil-paid Rights Shares	Thursday, 11 December 2014
Latest time for splitting of nil-paid Rights Shares	4:00 p.m. on Monday, 15 December 2014
Last day of dealings in nil-paid Rights Shares	Thursday, 18 December 2014
Latest time for acceptance of the Rights Issue as well as application for excess Rights Shares and payment of consideration thereof	4:00 p.m. on Tuesday, 23 December 2014
Latest time for termination of the Underwriting Agreement	9:00 a.m. on Tuesday, 30 December 2014
Announcement of results of acceptance and excess applications of the Rights Issue	Tuesday, 30 December 2014
Despatch of refund cheques for wholly and partially unsuccessful excess applications	Friday, 2 January 2015

Despatch of certificates for fully-paid Rights Shares	Friday, 2 January 2015
First day of dealings in fully-paid Rights Shares	Monday, 5 January 2015
First day of operation of odd lot trading facility	Monday, 5 January 2015
Last day of operation of odd lot trading facility	Monday, 26 January 2015

Note: (i) The Rights Issue will only take place upon the completion of Placing Agreement and the Acquisition Agreement on the Settlement Date or such later date as the Company may agree with the Underwriter and the Placing Agents. The latest time for termination of the Placing Agreement is the same as the latest time for termination of the Underwriting Agreement.

(ii) All times and dates in this timetable refer to Hong Kong local times and dates. Dates or deadlines specified in this timetable are indicative only and may be varied by agreement between the Company and the Underwriter or the Placing Agents. Any consequential changes to the expected timetable will be published or notified to the Shareholders appropriately.

Warning of the risks of dealings in the Shares and Rights Shares

Shareholders and investors should note, among others, that (i) the Rights Issue is implemented in conjunction with the Placing and completion of the Rights Issue and the Placing forms part of the conditions precedent for the Acquisition; (ii) each of the Rights Issue and the Placing is conditional upon certain conditions precedent contained in the Underwriting Agreement and the Placing Agreement, respectively; (iii) completion of the Rights Issue will not take place if less than 1,472,960,000 Placing Shares under the Placing Agreement are successfully placed; and (iv) each of the Rights Issue and the Placing is capable of being terminated by the Underwriter and the Placing Agents, respectively, upon the occurrence of certain force majeure events. If either the Underwriting Agreement or the Placing Agreement does not become unconditional or is terminated, both the Rights Issue and the Placing will not proceed, and accordingly the Acquisition will not become unconditional and will not proceed without alternative equity or equity-linked fund raising of not less than HK\$2,000 million (before expense).

Any Shareholders or other persons dealing in the Shares up to the date on which the Acquisition, the Rights Issue and the Placing all become unconditional and the date on which the right of termination of each of the Underwriting Agreement and the Placing Agreement ceases, and any persons dealing in the nil-paid Rights Shares during the period from Thursday, 11 December 2014 to Thursday, 18 December 2014 (both days inclusive) will accordingly bear the risk that the Rights Issue, the Placing and the Acquisition may not become unconditional or may be terminated and may not proceed.

If in any doubt, Shareholders and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

PART II THE PLACING AGREEMENT

Date

27 November 2014 (after trading hours)

Issuer

The Company

Placing Agents

CCB International Capital Limited and Orient Securities (Hong Kong) Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agents and their ultimate beneficial owners are third parties independent of and not connected persons of the Company and its connected persons.

The Placing Agreement provides that with the agreement of the Placing Agents, the Company may appoint further placing agents in relation to the Placing. If that takes place, the parties will enter into a supplemental agreement to the Placing Agreement to facilitate such additional appointments and a further announcement will be made by the Company.

Placing Shares

Under the Placing Agreement, the Placing Agents have conditionally agreed to procure severally not less than six independent places on a best efforts basis to subscribe for a minimum of 1,472,960,000 Initial Placing Shares at a price of HK\$1.00 per Placing Share. Each Placing Agent is required, no later than 6:00 p.m. on the Stock Exchange trading day immediately preceding the Acceptance Date, to notify the Company by way of a commitment notice the number of Placing Shares for which it has procured subscribers. Each Placing Agent that gives a commitment notice will be obliged on Completion to procure subscribers for, or failing which itself to subscribe for the Placing Shares specified in its commitment notice. If none of the Placing Agents give any commitment notice, or if the commitment notice(s) received by the Company relate(s) to less than 1,472,960,000 Placing Shares, then after consultation with the Placing Agents, the Company and/or either of the Placing Agents may terminate the Placing Agreement. If the commitment notice(s) given relate(s) to not less than 1,472,960,000 Placing Shares, the Placing Agents may require Company to issue at Completion at the Placing Price further Placing Shares, which when aggregated with their committed Placing Shares under their commitment notices must not exceed 1,767,552,000 Placing Shares. If and to the extent that the commitment notice(s) or any notice to issue additional Placing Shares exceed the maximum of 1,767,552,000 Placing Shares, the Placing Shares up to (but not exceeding) the maximum number will be allocated to the Placing Agents in accordance with the terms of the Placing Agreement. The Over-allotment Shares represent 20% of the Initial Placing Shares.

Assuming 1,472,960,000 Initial Placing Shares are successfully placed, the Initial Placing Shares will represent approximately 51.5% of the Company's total number of shares now in issue, approximately 34.0% as enlarged by the issue of the Initial Placing Shares, and approximately 28.4% as enlarged by the issue of the Initial Placing Shares and the Rights Shares.

Assuming 1,767,552,000 Placing Shares (being the aggregate of 1,472,960,000 Initial Placing Shares and 294,592,000 Over-allotment Shares) are successfully placed, the Placing Shares will represent approximately 61.8% of the Company's total number of shares now in issue, approximately 38.2% as enlarged by the issue of the Placing Shares, and approximately 32.2% as enlarged by the issue of the Initial Placing Shares, the Over-allotment Shares and the Rights Shares.

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves and with all other Shares then in issue on the date of allotment and issue of the Placing Shares, including the right to receive all dividends declared, made or paid on the relevant record date for which falls on or after the date of Completion. The Placing Shares will not be entitled to participate in the Rights Issue.

Placees

The Placing Agents intend to place the Placing Shares to not less than six independent placees, being person(s), firm(s) or company(ies) who and whose ultimate beneficial owners (i) are independent of, and will not as a result of the issue of the Placing Shares become a connected person of the Company or (ii) will not as a result of the issue of Placing Shares, have acquired on its own or together with persons acting in concert with it in respect of the Company, 30% or more of the voting rights of the Company in aggregate. It is expected that none of the placees will become a substantial Shareholder immediately after Completion.

Placing Price

The Placing Price of HK\$1.00 per Placing Share represents:

- (i) a premium of approximately 6.38% to the closing price of HK\$0.940 per Share as quoted on the Stock Exchange on the Last Trading Day;
 - (ii) a premium of approximately 6.61% to the average closing price of approximately HK\$0.938 per Share for the five consecutive trading days ended on the Last Trading Day;
 - (iii) a premium of approximately 6.04% to the average closing price of approximately HK\$0.943 per Share for the ten consecutive trading days ended on the Last Trading Day;
- and

- (iv) a discount of approximately 32.62% over the net asset value of approximately HK\$1.484 per Share based on the audited financial statements of the Company for the year ended 31 December 2013.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agents with reference to, among others, the market prices of the Shares and also the net asset value per Share, (which under the terms of the specific mandate granted by Shareholders on 27 November 2014 must be the same as the Subscription Price) and must be not less than 20% of the higher of the average closing price for the five trading days on the Stock Exchange for the Shares immediately preceding the date of the Underwriting Agreement or the closing price on the Stock Exchange for the Shares on the date of the Underwriting Agreement, and in any event not being less than HK\$1.00 per Share. The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing commission

The Company shall pay to the Placing Agents a placing commission of 2.0% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed or subscribed for by the Placing Agents.

Specific mandate to issue the Placing Shares

The Placing Shares will be issued under the specific mandate sought by the Directors and approved by the Shareholders by way of poll at the SGM held on 27 November 2014.

Application for listing of the Placing Shares

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Conditions of the Placing

Completion of the Placing is conditional upon following (unless otherwise waived by the Placing Agents provided that condition (b) shall not be waived):

- (a) trading in the Shares on the Stock Exchange not having been suspended for any single consecutive period of more than five Business Days during any time prior to Completion (save for any temporary suspension for the purpose of publishing this announcement or other announcement(s) in respect of the Placing);
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares;
- (c) the conditions precedent (other than that the conditions precedent in relation to the issuing of equity or equity linked financing under the Acquisition Agreement) being fulfilled to the extent not waived;

- (d) the Underwriting Agreement not having been terminated; and
- (e) completion of the Rights Issue and the Acquisition Agreement on the Settlement Date.

If the conditions of the Placing Agreement are not fulfilled or waived (provided that condition (b) shall not be waived) on or before the Settlement Date (or such later date as the Company and the Placing Agents may agree in writing), the Placing Agreement shall terminate and none of the parties will have any claim against the other in respect of any matter or thing arising out of or in connection with the Placing Agreement save for any antecedent breach of any obligations under the Placing Agreement and the liabilities under the relevant reimbursement and indemnities clauses in the Placing Agreement.

Termination of the Placing Agreement

If at any time on or prior to 9:00 a.m. on the Settlement Date:

- (a) there develops, occurs or comes into effect:
 - (i) any event, development or change (whether or not local, national or international or forming part of a series of event, developments or changes occurring or continuing before, on and/or after the date hereof), including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing (including but not limited to acts of government, lock-outs, fire, acts of war, SARS and H5N1), resulting in a material adverse prospective change in, or which might be expected to result in a material adverse prospective change in, political, economic, fiscal, financial, regulatory or stock market conditions;
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;
 - (iii) any material adverse change in conditions of local, national or international securities markets;
 - (iv) any new law or regulation or development involving prospective change of laws or regulations or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group;
 - (v) a change or development involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere;
 - (vi) the instigation of any litigation or claim of material importance by any third party against any member of the Group,

- (vii) any occurrence of any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict; or
- (viii) any event, or series of events, beyond the reasonable control of the Placing Agents (including, without limitation, acts of government, strikes, lockouts, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism, outbreak of diseases or epidemics (including Severe Acute Respiratory Syndrome, avian influenza A (H5N1) or such related/mutated forms) or interruption or delay in transportation), or
- (b) it comes to the notice of any of the Placing Agents that any of the representations, warranties or undertakings of the Company contained in the Placing Agreement is untrue or inaccurate, breached or not complied with in any respect; or
- (c) it comes to the notice of any of the Placing Agents that there has been any change in the business or financial or trading position of the Group,

and which, in the sole and absolute opinion of any of the Placing Agents, is or is likely to be materially adverse to the Company or the Group or would prejudice the success of the Placing or would otherwise make the Placing inadvisable or inexpedient, then any of the Placing Agents shall have a right exercisable by way of written notice to the Company to terminate the Placing and the Placing Agreement.

The Placing Agreement shall automatically terminate upon the termination of the Underwriting Agreement. As mentioned above, if none of the Placing Agents give a commitment notice(s) no later than 6:00 p.m. on the Stock Exchange trading day immediately preceding the Acceptance Date (being not later than 6:00 p.m. on 22 December 2014) or, if the commitment notice(s) received by the Company relate(s) to less than the 1,472,960,000 Initial Placing Shares, then either the Company or any of the Placing Agents may terminate the Placing Agreement.

Upon termination of the Placing Agreement pursuant to the terms therein, all obligations of the Company and the Placing Agents shall cease and no party of the Placing Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save of any antecedent breach of any obligation under the Placing Agreement and the liabilities under the relevant reimbursement and indemnities provisions in the Placing Agreement.

Completion of placing

Completion of Placing shall take place on the Settlement Date on which the Rights Issue will also complete, subject to the fulfillment (or waiver) of all the conditions set out in the paragraph headed “Conditions of the Placing” above. Further announcement will be made by the Company upon the completion of Placing.

RECENT UPDATES IN RELATION TO THE ACQUISITION

On 15 May 2014, the Company announced the Acquisition whereupon the Group will acquire the entire issued share capital of the Target Company as at Completion. The principal asset of the Target Group is the Property located in Lubao (蘆苞) County, Sanshui (三水) District of Foshan (佛山) City, Guangdong (廣東) Province, the PRC which is in close proximity with Huadu (花都) District of Guangzhou (廣州) City. When fully completed, it is intended that the Property will involve residential properties, commercial and retail properties and hospitality properties and facilities. The Directors consider that the Property is located well within the geographical targets of the Group, as it is located in the urbanizing Sanshui District of Foshan City and neighbouring Huadu District of Guangzhou City which, in recent years, has seen substantial developments, and is within reasonable travelling distance of other urbanized and urbanizing areas including Foshan, Guangzhou, Zhongshan (中山), Dongguan (東莞), Shenzhen (深圳), Zhuhai (珠海), Zhaoqing (肇慶), Qingyuan (清遠) and Heshan (鶴山). The Property has already had a composite retail outlet completed and is expected to draw branded retailers for phased opening in the near term.

The circular in respect of the Acquisition was despatched to Shareholders on 4 November 2014 and the SGM was convened on 27 November 2014, pursuant to which the Acquisition was approved by Shareholders by way of poll. The following is a summary of the updates on the status of the Acquisition, including the status of fulfillment of the conditions precedents (other than the condition relating to the raising of funds through one or more equity and/or equity-linked issues, being the Rights Issue and the Placing):

- in relation to condition precedent (a) which relates to the Shareholders approval of the Acquisition, the requisite Shareholders approval have been obtained on 27 November 2014;
- in relation to condition precedent (b) which relates to the listing permission for the Conversion Shares, an application for such listing permission has been made;
- in relation to condition precedent (c) which relates to the raising of equity or equity linked financing, the Company is making the Rights Issue and is effecting the Placing which if successfully completed would raise proceeds (before expenses) of between HK\$2,000 million and HK\$4,375 million;
- in relation to condition precedent (d) to (k), which relates variously to the Net Debt of Target Group, encumbrances over the Property, third party consents, the status of Unperformed Contracts, due diligence, legal opinions and valuation, arrangements are being made to attend to those matters some of which will need to be completed as of the date of Completion. As at the date of this announcement, the Company has not been advised by the Vendor or have otherwise come to notice that any of those conditions precedent are not capable of being fulfilled or waived without material adverse effect on the transactions contemplated under the Acquisition Agreement, the Group, the ownership and/or future operations of the Target Group and the Property.

Additional financial information regarding the Target Group required under the Listing Rules will be provided in the Prospectus to be despatched on the Posting Date.

REASONS FOR THE RIGHTS ISSUE AND PLACING AND THE USE OF PROCEEDS

The Group is a full-fledged property development and construction company that engages in building construction, civil engineering, electrical and mechanical engineering, project and construction management, property development and asset management services. The Group already has one major property development project in China, namely the La Viva project in Shenyang. Acquired in 2011, the La Viva project was the Group's first suburban town development project and signified the beginning of the Group's full scale foray into the Chinese real estate market. The Acquisition, if and when completed, would be the Group's second large-scale integrated property development project in China.

The Directors and the management believe the Acquisition can enhance the prospects of the Group, as a vertically integrated property developer, in further developing its construction services and property management services capabilities in mainland China. The Directors and the management of the Company also believe that given the location of the Property and the size of the site and buildable area, the Property, together with the Group's existing La Viva Project in Shenyang, will provide the Group with a valuable land bank in both the Northern and Southern part of China for phased development of commercial and residential properties in the long term, thus positioning the Group to gradually develop a good source of revenue stream for the Group's property development and investment business.

In the Circular, the Company stated that it intends to raise, by a combination of (i) rights issue and (ii) placing under a specific mandate between HK\$2,000 million and HK\$4,375 million (both before expenses) to provide fresh working capital for further development of the Property and other existing projects and businesses of the Group as a conditions precedent to the completion of the Acquisition. The Rights Issue and the Placing therefore are essential not only for completion of the Acquisition but also in providing fresh capital for the Company to takeover and continue the development of the Property and the Group's other businesses without substantially draining on the existing liquidity or otherwise substantially increasing the leverage ratio of the Group.

In addition to the aforementioned reasons, the Directors consider a combination of (i) Rights Issue and (ii) Placing is preferable because:

- it is more prudent to finance the Group's long term growth by way of equity financing which will strengthen the Group's capital base and enhance its financial position without incurring substantial finance costs;
- the Placing will further broaden the Company's shareholder base and, where additional institutional and professional investors are to be introduced as a result, will further enhance the profile of the Company's shareholder base;

- having the Rights Issue in conjunction with the Placing would provide existing Shareholders the opportunity to participate in the equity financing exercise on a fair and pro rata basis and lessen the dilution impact brought about by the Placing.

Accordingly, the Directors consider that the terms of the Underwriting Agreement and Placing Agreement are fair and reasonable based on the current market conditions, and the Rights Issue and the Placing are in the interests of the Company and the Shareholders as a whole.

Assuming the Rights Issue and Placing are completed successfully and simultaneously, the minimum estimated net proceeds, after deducting all the commissions and other expenses incurred, from the Rights Issue and the Placing of Initial Placing Shares will be approximately HK\$840.3 million and HK\$1,418.5 million, respectively. The aggregate net proceeds from the Rights Issue and Placing will be applied as below:

Proposed usage	Net proceeds from Placing (HK\$' million)	Net proceeds from Rights Issue (HK\$' million)
(a) in and towards repayment of the Short term portion of the Permitted Debt Finance due in 2015	1,196.0	–
(b) in and towards payment of interest cost of financing	8.3	23.9
(c) in and towards the Property's phase 1 refurbishment and pre-opening costs	72.7	208.0
(d) in and towards site preparation and construction costs of phase 1 and phase 2 of the Property	71.7	16.3
(e) for operating expenses of the Property in year 2016	22.3	–
(f) for construction costs and overhead expenses in the La Viva project	31.0	340.0
(g) for financing the working capital requirements of the other construction businesses of the Group	–	168.1
(h) general working capital	16.5	84.0
Total	<u>1,418.5</u>	<u>840.3</u>

If the Rights Issue is completed with the issue of the maximum number of 904,101,195 Rights Shares, the maximum net proceeds after deducting the underwriting commissions and other expenses incurred will be approximately HK\$886.0 million. The Company will adjust the allocation of the net proceeds from Rights Issue for the aforementioned purposed of Rights Issue on a pro-rata basis.

If the Placing is completed with the issue of the maximum number of 1,767,552,000 Shares (i.e. inducing the Over-allotment Shares), the maximum net proceeds after deducting the placing commissions and other expenses incurred will be approximately HK\$1,707.2 million. The Company will first apply the net proceeds in and towards the repayment of the short-term portion of the Permitted Debt Finance due in 2015 of approximately HK\$1,196.0 million, and adjust the allocation of remaining net proceeds from the Placing for the aforementioned purposes of Placing on a pro-rata basis.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE AND PLACING

Scenario 1:

Set out below is the shareholding structure of the Company assuming an equity issue under the Rights Issue and the Placing of 2,330,409,995 Shares at HK\$1.00 per Share, comprising:

- (i) minimum 857,449,995 Rights Shares, taking into accounting none of the existing Share Options and Unlisted Warrants are exercised and converted into new Shares on or before the Record Date; and
- (ii) 1,472,960,000 Initial Placing Shares.

The conversion of 5,695,833,333 Consideration Preference Shares (the minimum total consideration of HK\$6,835.0 million in relation to the Acquisition, payable by the Purchaser in Consideration Preference Shares at the issue price of HK\$1.2 per Consideration Preference Share).

	Existing shareholding as at the date of this announcement		Immediately upon completion of the Rights Issue and Placing (assuming all Rights Shares will be taken up by the Qualifying Shareholders or sold in the market), pre conversion of Consideration Preference Shares		Immediately upon completion of the Rights Issue and Placing (assuming all Rights Shares will be taken up by the Qualifying Shareholders or sold in the market), the Vendor's maximum pre conversion of Consideration Preference Shares under applicable conversion restriction		Immediately upon completion of the Rights Issue and Placing (no Rights Shares will be taken up by the Qualifying Shareholders except pursuant to the Irrevocable Undertaking Letters), pre conversion of Consideration Preference Shares		Immediately upon completion of the Rights Issue and Placing (no Rights Shares will be taken up by the Qualifying Shareholders except pursuant to the Irrevocable Undertaking Letters), the Vendor's maximum pre conversion of Consideration Preference Shares under applicable conversion restriction		Immediately upon completion of the Rights Issue and Placing and the full conversion of the 5,695,833,333 Consideration Preference Shares based on the minimum acquisition consideration	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Tewoo Group Co., Ltd*	513,861,240	17.98%	668,019,612	12.87%	668,019,612	10.99%	513,861,240	9.90%	513,861,240	9.78%	668,019,612	6.14%
Neo Summit Limited	475,816,993	16.65%	618,562,090	11.92%	618,562,090	10.18%	475,816,993	9.17%	475,816,993	9.06%	618,562,090	5.68%
Win World Profits Limited (Note 2)	215,000,000	7.52%	279,500,000	5.39%	279,500,000	4.60%	279,500,000	5.39%	279,500,000	5.32%	279,500,000	2.57%
Summit View Holdings Limited (also known as the Underwriter)	221,850,000	7.76%	288,405,000	5.56%	288,405,000	4.74%	1,014,799,995	19.56%	1,014,799,995	19.32%	288,405,000	2.65%
Dr. Wilfred WONG Ying-wai	20,000,000	0.70%	26,000,000	0.50%	26,000,000	0.43%	20,000,000	0.39%	20,000,000	0.38%	26,000,000	0.24%
Mr. Clifford King CHIU	700,000	0.02%	910,000	0.02%	910,000	0.01%	700,000	0.01%	700,000	0.01%	910,000	0.01%
Mr. ZHOU Wei	48,932,000	1.71%	63,611,600	1.23%	63,611,600	1.05%	48,932,000	0.94%	48,932,000	0.93%	63,611,600	0.58%
The Vendor	-	0.00%	-	0.00%	889,997,210	14.64%	-	0.00%	64,900,942	1.23%	5,695,833,333	52.33%
Places	-	0.00%	1,472,960,000	28.39%	1,472,960,000	24.23%	1,472,960,000	28.39%	1,472,960,000	28.04%	1,472,960,000	13.53%
Other existing public Shareholders	1,362,006,422	47.66%	1,770,608,348	34.12%	1,770,608,348	29.13%	1,362,006,422	26.25%	1,362,006,422	25.93%	1,770,608,348	16.27%
	<u>2,858,166,655</u>	100.00%	<u>5,188,576,650</u>	100.00%	<u>6,078,573,860</u>		<u>5,188,576,650</u>	100.00%	<u>5,253,477,592</u>	100.00%	<u>10,884,409,983</u>	100.00%

* for identification purposes only

Note:

1. The table above assumes no application for excess Rights Shares is made by any Shareholder.
2. If Win World Profits Limited does not deliver its Irrevocable Undertaking Letter and does not take up its provisional allotment of Rights Shares, then its shareholding in the last three columns in the table above would be 215,000,000 Shares (4.14%), 215,000,000 Shares (4.09%) and 215,000,000 Shares (1.98%) and an independent third party underwriter to be appointed pursuant to condition precedent numbered 6 described in the paragraph headed “Part I Proposed Rights Issue – Conditions of the Rights Issue” will take up 64,500,000 Rights Shares, and its shareholder in the last three columns in the table above would be 64,500,000 Shares (1.24%), 64,500,000 Shares (1.23%) and 64,500,000 Shares (0.59%).

Scenario 2:

Set out below is the shareholding structure of the Company assuming an equity issue under the Rights Issue and the Placing of 2,671,653,195 Shares at HK\$1.00 per Share, comprising:

- (i) maximum 904,101,195 Rights Shares, taking into accounting all of the existing Share Options and Unlisted Warrants are fully exercised and converted into new Shares on or before the Record Date; and
- (ii) 1,767,552,000 Placing Shares (being the aggregate of 1,472,960,000 Initial Placing Shares and 294,592,000 Over-allotment Shares).

The conversion of 6,406,250,000 Consideration Preference Shares (the balance of maximum total consideration of HK\$10,812.5 million in relation to the Acquisition, minus HK\$3,125.0 million to be paid in cash, payable by the Purchaser in Consideration Preference Shares at the issue price of HK\$1.2 per Consideration Preference Share).

	Existing shareholding as at the date of this announcement		Shareholding as at Record Date assuming new Shares have been allotted and issued pursuant to the full exercise and conversion of all existing Share Options and Unlisted Warrants		Immediately upon completion of the Rights Issue and Placing (assuming all Rights Shares will be taken up by the Qualifying Shareholders or sold in the market), pre conversion of Consideration Preference Shares		Immediately upon completion of the Rights Issue and Placing (assuming all Rights Shares will be taken up by the Qualifying Shareholders or sold in the market), the Vendor's maximum pre conversion of Consideration Preference Shares under applicable conversion restriction		Immediately upon completion of the Rights Issue and Placing (no Rights Shares will be taken up by the Qualifying Shareholders except pursuant to the Irrevocable Undertaking Letters), pre conversion of Consideration Preference Shares		Immediately upon completion of the Rights Issue and Placing (no Rights Shares will be taken up by the Qualifying Shareholders except pursuant to the Vendor's maximum pre conversion of Consideration Preference Shares under applicable conversion restriction)		Immediately upon completion of the Rights Issue and Placing and the full conversion of the 6,406,250,000 Consideration Preference Shares based on the minimum acquisition consideration	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Tewoo Group Co., Ltd ^(A)	513,861,240	17.98%	513,861,240	17.05%	668,019,612	11.75%	668,019,612	9.86%	513,861,240	9.04%	513,861,240	8.73%	668,019,612	5.52%
Neo Summit Limited	475,816,993	16.65%	475,816,993	15.79%	618,562,090	10.88%	618,562,090	9.12%	475,816,993	8.37%	475,816,993	8.08%	618,562,090	5.12%
Win World Profits Limited (Note 2)	215,000,000	7.52%	215,000,000	7.13%	279,500,000	4.92%	279,500,000	4.12%	279,500,000	4.92%	279,500,000	4.75%	279,500,000	2.31%
Summit View Holdings Limited (also known as the Underwriter)	221,850,000	7.76%	221,850,000	7.36%	288,405,000	5.07%	288,405,000	4.26%	1,061,451,195	18.67%	1,061,451,195	18.02%	288,405,000	2.39%
Dr. Wilfred WONG Yng-wai	20,000,000	0.70%	25,000,000	0.83%	32,500,000	0.57%	32,500,000	0.48%	25,000,000	0.44%	25,000,000	0.43%	32,500,000	0.27%
Mr. Clifford King CHIU	700,000	0.02%	700,000	0.02%	910,000	0.02%	910,000	0.01%	700,000	0.01%	700,000	0.01%	910,000	0.01%
Mr. ZHOU Wei	48,932,000	1.71%	48,932,000	1.62%	63,611,600	1.12%	63,611,600	0.94%	48,932,000	0.86%	48,932,000	0.83%	63,611,600	0.53%
The Vendor	-	0.00%	-	0.00%	-	0.00%	1,093,503,117	16.13%	-	0.00%	203,914,347	3.46%	6,406,250,000	52.98%
Places	-	0.00%	-	0.00%	1,767,552,000	31.09%	1,767,552,000	26.07%	1,767,552,000	31.09%	1,767,552,000	30.01%	1,767,552,000	14.62%
Other existing public Shareholders	1,362,006,422	47.66%	1,512,510,422	50.20%	1,966,263,548	34.58%	1,966,263,548	29.01%	1,512,510,422	26.60%	1,512,510,422	25.68%	1,966,263,548	16.25%
	<u>2,858,166,655</u>	100.00%	<u>3,013,670,655</u>	100.00%	<u>5,685,323,850</u>	100.00%	<u>6,778,826,967</u>	100.00%	<u>5,685,323,850</u>	100.00%	<u>5,889,238,197</u>	100.00%	<u>12,091,573,850</u>	100.00%

* for identification purposes only

Note:

1. The table above assumes no application for excess Rights Shares is made by any Shareholder.
2. If Win World Profits Limited does not deliver its Irrevocable Undertaking Letter and does not take up its provisional allotment of Rights Shares, then its shareholding in the last three columns in the table above would be 215,000,000 Shares (3.78%), 215,000,000 Shares (3.65%) and 215,000,000 Shares (1.78%) and an independent third party underwriter to be appointed pursuant to condition precedent numbered 6 described in the paragraph headed “Part I Proposed Rights Issue – Conditions of the Rights Issue” will take up 64,500,000 Rights Shares, and its shareholder in the last three columns in the table above would be 64,500,000 Shares (1.13%), 64,500,000 Shares (1.10%) and 64,500,000 Shares (0.53%).

The Company will ensure the compliance with the public float requirements under Rule 8.08 of the Listing Rules upon completion of the Rights Issue.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities in the past twelve months immediately before the date of this announcement:

Date of announcements	Placing	Net proceeds	Intended use of proceeds	Actual use of proceeds
20 December 2013/ 27 January 2014	Placing of the one year 5% coupon notes in an aggregate principal amount of HK\$156,250,000 and issue of the unlisted warrants to confer rights entitling the holders to subscribe for up to HK\$156,250,000 in aggregate in cash at HK\$1.25 per Share	Approximately HK\$150.0 million	To finance the further development of the Tieling property development project currently under construction in Shenyang, Liaoning Province and to satisfy capital needs for upcoming investment and business opportunities	Being applied as intended

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Acceptance Date”	4:00 p.m. on 23 December 2014 (or such other time or date as the Underwriter may agree in writing with the Company), as the latest time for acceptance of, and payment for, the Rights Shares
“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement

“Acquisition Agreement”	the agreement dated 15 May 2014 among the Purchaser, the Vendor and the Warrantor (as amended by a supplemental agreement dated 3 November 2014 among the same parties) in respect of the Acquisition
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“BVI Co. 1a”	Nice Grace Group Ltd. (佳雅集團有限公司), the legal and beneficial owner of 50% of the issued share capital of HK Co. 1
“BVI Co. 1b”	Crown Raise Holdings Ltd. (冠升投資有限公司), the legal and beneficial owner of 50% of the issued share capital of HK Co. 1
“BVI Co. 2”	World Famous Brand Discount Store (China) Co. Ltd. (世界名牌折扣店(中國)有限公司), the legal and beneficial owner of the entire issued share capital of HK Co. 2
“BVI Co. 3”	Aotelaisi Renowned Brand Outlet Discount Store Properties Ltd. (奧特萊斯名牌折扣店置業有限公司), the legal and beneficial owner of the entire issued share capital of HK Co. 3
“BVI Co. 4”	Aotelaisi Renowned Brand Outlet Discount Store Investment Ltd. (奧特萊斯名牌折扣店投資有限公司), the legal and beneficial owner of the entire issued share capital of HK Co. 4
“BVI Co. 5”	Aotelaisi Renowned Brand Outlet Discount Store (China) Ltd. (奧特萊斯名牌折扣店(中國)有限公司), the legal and beneficial owner of the entire issued share capital of HK Co. 5
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Committed Shares”	the 131,055,000 Rights Shares which will constitute the provisional allotment of Rights Shares which are to be subject to the Irrevocable Undertaking Letters
“Company”	Hsin Chong Construction Group Ltd., a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition, the Rights Issue and the Placing in accordance with the terms and conditions of the Acquisition Agreement, the Underwriting Agreement and the Placing Agreement
“connected persons”	has the meanings ascribed thereto in the Listing Rules
“Consideration Preference Shares”	the Convertible Preference Shares that are issued or required to be issued as part of the consideration for the Acquisition
“Conversion Shares”	Shares to be issued upon conversion of the Consideration Preference Shares
“Convertible Preference Shares”	the new class of restricted voting convertible preference shares of nominal value of HK\$0.1 each in the share capital of the Company to be created
“Director(s)”	director(s) of the Company
“Dr. Wong”	Dr. Wilfred Wong Ying-wai, Chairman and Chief Executive Officer of the Company
“EAF(s)”	the excess application form(s) for application for excess Rights Shares proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HK Co. 1”	Renowned Brand Outlet Store Ltd. (奧特萊斯名牌折扣店有限公司), the legal and beneficial owner of the entire registered capital of WFOE 1 and owned as to 50% by BVI Co. 1a and 50% by BVI Co. 1b

“HK Co. 2”	Renowned Outlet Store Asia Ltd. (世界名牌折扣店亞洲有限公司), the legal and beneficial owner of the entire registered capital of WFOE 2 and wholly-owned by BVI Co. 2
“HK Co. 3”	Renowned Brand Outlet Store Properties Ltd. (奧特萊斯名牌折扣店置業有限公司), the legal and beneficial owner of the entire registered capital of WFOE 3 and wholly-owned by BVI Co. 3
“HK Co. 4”	Renowned Brand Outlet Store Investment Ltd. (奧特萊斯名牌折扣店投資有限公司), the legal and beneficial owner of the entire registered capital of WFOE 4 and wholly-owned by BVI Co. 4
“HK Co. 5”	Renowned Brand Outlet Store (China) Ltd. (奧特萊斯名牌折扣店(中國)有限公司), the legal and beneficial owner of the entire registered capital of WFOE 5 and wholly-owned by BVI Co. 5
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Placing Shares”	1,472,960,000 new Shares initially to be placed pursuant to the Placing Agreement
“Irrevocable Undertaking Letters”	the irrevocable undertaking letters given or to be given by Win World Profits Limited and the Underwriter to the Company and the Underwriter as described in the section headed “PART I Proposed Rights Issue – Irrevocable Undertaking” in this announcement
“Land 1”	three parcels of land located in Lubao (蘆苞) County, Sanshui (三水) District, Foshan (佛山) City with an aggregate site area of 652,915.2m ² forming part of the Property
“Land 2”	a parcel of land located in Lubao (蘆苞) County, Sanshui (三水) District, Foshan (佛山) City with a site area of 494,378.8m ² forming part of the Property

“Land 3”	a parcel of land located in Lubao (蘆苞) County, Sanshui (三水) District, Foshan (佛山) City with a site area of 344,491.3m ² forming part of the Property
“Land 4”	a parcel of land located in Lubao (蘆苞) County, Sanshui (三水) District, Foshan (佛山) City with a site area of 138,624.4m ² (inclusive of the Remaining Land) forming part of the Property
“Land 5”	a parcel of land located in Lubao (蘆苞) County, Sanshui (三水) District, Foshan (佛山) City with a site area of 294,647.0m ² forming part of the Property
“Last Trading Day”	27 November 2014, being the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on advice provided by legal advisers, consider it necessary or expedient to exclude such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“Over-allotment Shares”	up to 294,592,000 new Placing Shares in addition to the Initial Placing Shares that may fall to be issued by the Company at Completion
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear 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 outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue

“Permitted Debt Finance”	pursuant to the terms of the Acquisition Agreement, debt not exceeding RMB2,326.6 million in aggregate that may be owed by the Target WFOEs as at Completion on terms and from persons acceptable to the Purchaser (in its sole discretion) comprising (i) debt in an aggregate principal amount not exceeding RMB750 million which matures no earlier than 31 July 2015 and carries interest at a rate of not more than 12% per annum and secured by first legal mortgage against Land 1; (ii) unsecured debt in an aggregate principal amount not exceeding RMB206.6 million which matures no earlier than 31 March 2015 and carries interest at a rate of not more than 10% per annum; and (iii) unsecured debt in the aggregate principal amount not exceeding RMB1,370 million which matures no earlier than 30 September 2017 and carries interest at a rate of not more than 2.5% per annum payable on maturity
“Placing”	the placing, on a best efforts basis, of up to 1,767,552,000 new Shares by the Placing Agents and the Placing Price pursuant to the terms of the Placing Agreement
“Placing Agents”	CCB International Capital Limited (建銀國際金融有限公司), a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities in Hong Kong under the Securities and Futures Ordinance and Orient Securities (Hong Kong) Limited (東方證券(香港)有限公司), a corporation licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities in Hong Kong under the Securities and Futures Ordinance
“Placing Agreement”	the agreement dated 27 November 2014 entered into between the Company and the Placing Agents in respect of the Placing
“Placing Price”	HK\$1.00 per Placing Share
“Placing Shares”	up to 1,767,552,000 new Shares to be placed under the Placing

“Posting Date”	9 December 2014 (or such other date as the Underwriter may agree in writing with the Company as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be))
“Property”	the principal asset of the Target Group, comprising Land 1, Land 2, Land 3, Land 4 and Land 5 (which are adjacent to each other with an aggregate site area of approximately 1,925,057m ²) together with the related land use rights and any development constructed thereon
“Prospectus”	a prospectus containing details of the Rights Issue to be despatched to Shareholders on the Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Purchaser”	Hsin Chong Property Holdings Limited (新昌地產控股有限公司), a company incorporated in the BVI with limited liability and wholly-owned by the Company, the purchaser under the Acquisition Agreement
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	8 December 2014 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are to be determined
“Rights Issue”	the proposed issue of the Rights Shares on the basis of three (3) Rights Shares for every ten (10) Shares held on the Record Date to the Qualifying Shareholders at a Subscription Price
“Rights Share(s)”	not less than 857,449,995 new Shares and not more than 904,101,195 new Shares to be allotted and issued by the Company under the Rights Issue
“Sale Shares”	shares representing the entire issued share capital of the Target Company as at Completion forming the subject of the Acquisition

“Settlement Date”	30 December 2014, being the third Business Day following the Acceptance Date (or such other time or date as the Underwriter and the Company may agree in writing), as the date for settlement of the Rights Issue
“SGM”	the special general meeting held by the Company on 27 November 2014 in relation to, among other things, the Acquisition and the specific mandate for the proposed issue of new Shares under the Placing
“Share(s)”	the ordinary share(s) with par value of HK\$0.1 each in the issued share capital of the Company
“Share Options”	share options entitled to subscribe for 30,504,000 Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 22 May 2008
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.00 per Rights Share
“subsidiaries”	the subsidiaries (as “subsidiary” is defined in the Listing Rules) of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target BVI Companies”	BVI Co. 1a, BVI Co. 1b, BVI Co. 2, BVI Co. 3, BVI Co. 4 and BVI Co. 5
“Target Company”	Goleman International Limited, a company incorporated in the BVI with limited liability
“Target Group”	Target Company and the Target Member Companies
“Target HK Companies”	HK Co. 1, HK Co. 2, HK Co. 3, HK Co. 4 and HK Co. 5
“Target Member Companies”	Target BVI Companies, Target HK Companies and Target WFOEs

“Target WFOEs”	WFOE 1, WFOE 2, WFOE 3, WFOE 4 and WFOE 5 or any of them as the context may require
“Underwriter”	Summit View Holdings Limited, a company incorporated in British Virgin Islands and owned as to 50% by Dr. Wong and 50% by Ms. MA Kwing, Pony
“Underwriting Agreement”	the underwriting agreement dated 27 November 2014, entered into between the Company and the Underwriter in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	the Rights Shares other than the Committed Shares to be underwritten by the Underwriter subject to the terms of the Underwriting Agreement
“Unlisted Warrants”	the unlisted warrants entitled to subscribe HK\$156,250,000 for Shares (upon full exercise of subscription rights attached to which at the current exercise price of HK\$1.25 will result in the issue of 125,000,000 Shares) granted under the Warrant Instrument
“Vendor”	Rich Century Development Limited (利世發展有限公司), a company incorporated in the BVI with limited liability
“Warrantor”	Mr. Lin Zhuo Yan (林卓延) previously known as LAM Chin Wang (林展弘) and LAM Chung Yun (林中潤)
“Warrant Instrument”	the warrant instrument issued by the Company on 27 January 2014
“WFOE 1”	奧特萊斯置業廣東有限公司, a wholly foreign owned enterprise established in the PRC and directly wholly-owned by HK Co. 1, who is the legal owner of the land use rights in respect of Land 1
“WFOE 2”	廣東冠昇置業有限公司, a wholly foreign owned enterprise established in the PRC and directly wholly-owned by HK Co. 2, who is the legal owner of the land use rights in respect of Land 2

“WFOE 3”	廣東榮信置業有限公司, a wholly foreign owned enterprise established in the PRC and directly wholly-owned by HK Co. 3, who is the legal owner of the land use rights in respect of Land 3
“WFOE 4”	廣東景盛置業有限公司, a wholly foreign owned enterprise established in the PRC and directly wholly-owned by HK Co. 4, who is the legal owner of the land use rights in respect of Land 4 except for the Remaining Land for which the corresponding land use rights certificate has not yet been issued as at the date of this announcement
“WFOE 5”	廣東奧特萊斯物業管理有限公司, a wholly foreign owned enterprise established in the PRC and directly wholly-owned by HK Co. 5, who is the legal owner of the land use rights in respect of Land 5
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“m ² ” or “sq.m.”	square metre(s)
“RMB”	Renminbi, the lawful currency of the PRC
“%” or “per cent.”	percentage or per centum

By Order of the Board of
Hsin Chong Construction Group Ltd.
Wilfred WONG Ying Wai
Chairman and Chief Executive Officer

Hong Kong, 27 November 2014

As at the date of this announcement, the Board comprises Dr. Wilfred WONG Ying Wai (Chairman and Chief Executive Officer), Mr. Joseph CHOI Kin Hung and Mr. ZHOU Wei as Executive Directors; Mr. Clifford King CHIU, Mr. ZHANG Xiaoying and Mr. YAN Jie as Non-executive Directors; and Dr. Joseph CHOW Ming Kuen, Mr. CHENG Sui Sang, Mr. GAO Jingyuan and Ms. LEE Jai Ying as Independent Non-executive Directors.