

# THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

A copy of each of the Prospectus Documents, the ARE, the ARS and the other documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. A copy of this Prospectus will be deposited with the Securities Commission of Malaysia within seven days after the issue of this Prospectus. The SFC, the Registrar of Companies in Hong Kong and the Securities Commission of Malaysia take no responsibility for the contents of any of these documents.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms on the Hong Kong Stock Exchange and, if applicable, the approval in-principle for the listing of, and quotation for, the Rights Shares in their fully-paid form on the SGX-ST, as well as compliance with the stock admission requirements of HKSCC and the SGX-ST, the Rights Shares in their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC and CDP for deposit, clearance and settlement in CCASS and CDP, respectively, with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Hong Kong Stock Exchange and the SGX-ST or such other dates as determined by HKSCC or the SGX-ST. Settlement of transactions between participants of the Hong Kong Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter, whereas settlement of transactions between participants of the SGX-ST on any trading day is required to take place on the third Market Day following the date of the transactions. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS or CDP (as the case may be), and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

**Shareholders and CDP Depositors whose addresses as recorded on the Register of Members or on the CDP Register (as the case may be) are in jurisdictions outside the Included Jurisdictions are referred to the section headed "Arrangements for Excluded Overseas Shareholders and Fractional Entitlements" in the Letter from the Board of this Prospectus.**

Hong Kong Exchanges and Clearing Limited, the Hong Kong Stock Exchange, the SGX-ST and HKSCC take no responsibility for the contents of this Prospectus, the PALs, the EAFs, the AREs and the ARSs, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of these documents. Admission to the Official List of the SGX-ST and the listing of, and quotation for, the Rights Shares, on the SGX-ST are in no way reflective of the merits of the Rights Issue, the Rights Shares, the Company and/or its subsidiaries. As the Shares are primarily listed on the Hong Kong Stock Exchange with a secondary listing on the SGX-ST, the Company, in accordance with Rule 217 of the SGX-ST Listing Manual, will not be required to comply with the continuous listing obligations as set out in the SGX-ST Listing Manual that would be otherwise applicable to a company with a primary listing on the SGX-ST.

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

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



SHANGRI-LA ASIA LIMITED

香格里拉(亞洲)有限公司

(Incorporated in Bermuda with limited liability)

website: [www.ir.shangri-la.com](http://www.ir.shangri-la.com)

(Stock code: 00069)

## RIGHTS ISSUE

**AT THE SUBSCRIPTION PRICE OF HK\$11.10 PER RIGHTS SHARE**

**ON THE BASIS OF ONE (1) RIGHTS SHARE**

**FOR EVERY SEVEN (7) SHARES HELD ON THE RECORD DATE**

**PAYABLE IN FULL ON ACCEPTANCE**

The Latest Acceptance Time for the Rights Shares is 5:00 p.m. (Singapore time) or 9:30 p.m. (Singapore time) for electronic acceptances through the ATMs of the participating banks) on Monday, 8 December 2014 (for Qualifying Shareholders who are CDP Depositors) or 4:00 p.m. (Hong Kong time) on Monday, 15 December 2014 (for Qualifying Shareholders who are not CDP Depositors). The procedures for acceptance or transfer of the Rights Shares provisionally allotted to Qualifying Shareholders who are not CDP Depositors are set out in the section headed "Procedures for Acceptance or Transfer for Qualifying Shareholders who are not CDP Depositors" in the Letter from the Board of this Prospectus. Qualifying Shareholders who are CDP Depositors holding Shares through CDP should refer to the procedures set out in Appendix IV to this Prospectus for acceptance or transfer of the Rights Shares provisionally allotted to them.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriters, by notice in writing, to terminate the Underwriting Agreement at any time prior to the Latest Time for Termination, which is expected to be 4:00 p.m. (Hong Kong time) on Thursday, 18 December 2014, if there occurs (i) any new law or regulation or any 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 place in which any member of the Group conducts or carries on business; or (ii) any change in (or any event or series of events resulting or likely to result in any change in) local, national or international financial, political, military, industrial, economic, currency or (whether or not of the same nature with any of the foregoing) market conditions; or (iii) any change in the conditions of local, national or international securities markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Hong Kong Stock Exchange or the SGX-ST owing to exceptional financial circumstances or otherwise); or (iv) any breach of the warranties in the Underwriting Agreement by the Company or any of the Covenantors commits any breach of the Irrevocable Undertaking, which, in the case of any of (i), (ii), (iii) or (iv) above, in the reasonable opinion of the Underwriters (a) has or will have a material adverse effect on the Company or the Group or the Rights Issue; or (b) has or will have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or (c) makes it inadvisable or inexpedient for the Company to proceed with the Rights Issue. Upon the giving of notice of termination, the Underwriting Agreement shall terminate and all obligations (save for the terms and conditions governing payment of costs and expenses, requirements of making announcement and confidentiality) of the parties to the Underwriting Agreement shall forthwith cease and no party shall (save for the terms and conditions governing payment of costs and expenses, requirements of making announcement and confidentiality, and any right or liability accrued before such termination) have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement. If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed.

Existing Shares have been dealt in on an ex-rights basis on the Hong Kong Stock Exchange and the SGX-ST from Friday, 14 November 2014. Dealings in the Rights Shares in their nil-paid form will commence on the SGX-ST from Wednesday, 26 November 2014 to Tuesday, 2 December 2014, both days inclusive, and on the Hong Kong Stock Exchange from 9:00 a.m. on Wednesday, 26 November 2014 to 4:00 p.m. on Wednesday, 10 December 2014. If the Underwriters terminate the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or are not waived by the Underwriters (in respect of certain conditions that may be waived by the Underwriters), the Rights Issue will not proceed. See the section headed "Conditions of the Underwriting Agreement" in the Letter from the Board of this Prospectus. Any Shareholder or other person dealing in the Shares from Friday, 24 October 2014, being the date of the resumption of trading of Shares after publication of the Announcement, up to the latest time at which all conditions to which the Rights Issue is subject are fulfilled or, if applicable, waived by the Underwriters (which is expected to be 4:00 p.m. on Thursday, 18 December 2014), or in the Rights Shares in their nil-paid form on the Hong Kong Stock Exchange and on the SGX-ST during the respective periods as aforesaid, will accordingly bear the risk that the Rights Issue may not become unconditional. Any Shareholder or other person contemplating selling or purchasing existing Shares on an ex-rights basis and/or the Rights Shares in their nil-paid form during these periods who is in doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

24 November 2014

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:*

“Announcement”	the announcement made by the Company dated 23 October 2014 in relation to the Rights Issue
“ARE(s)”	application form(s) for Rights Shares and excess Rights Shares issued to Qualifying Shareholder(s) with Shares entered against its (their) name(s) on the CDP Register as at the Record Date
“ARS(s)”	application form(s) for Rights Shares issued to purchaser(s) of Rights Shares in nil-paid form which are traded on the SGX-ST
“Baylite”	Baylite Company Limited, a company incorporated under the laws of the British Virgin Islands
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Nominee
“Board”	the board of Directors or, where the context requires, a duly constituted committee of the board of Directors
“Business Day”	a day on which the Hong Kong Stock Exchange and the SGX-ST are open for dealings
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CDP”	The Central Depository (Pte) Limited, which is the securities clearing and depository house of the SGX-ST
“CDP Depositor(s)”	persons(s) with Shares(s) entered against its (their) name(s) on the CDP Register
“CDP Register”	the depository register of CDP Depositors maintained by CDP
“China Shimao”	China Shimao Investment Co. Ltd., a company incorporated under the laws of the PRC
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)

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## DEFINITIONS

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“Company”	Shangri-La Asia Limited, an exempted company incorporated in Bermuda on 14 August 1992 with limited liability and the Shares of which have a primary listing on the Main Board of the Hong Kong Stock Exchange and a secondary listing on the SGX-ST
“Convertible Bonds”	the US\$500,000,000 zero coupon guaranteed convertible bonds due 2016 issued by Newford Capital Limited pursuant to a subscription agreement dated 7 April 2011 and entered into between the Company, Newford Capital Limited, BOCI Asia Limited and The Hongkong and Shanghai Banking Corporation Limited, entitling the holders of such convertible bonds to convert into Shares
“Covenantors”	Ace Time Holdings Limited, Alpha Model Limited, Ban Thong Company Limited, Baylite, Bright Magic Investments Limited, Caninco Investments Limited, Darmex Holdings Limited, Dublin Investments Holdings Ltd., Hummick Investments Limited, KHL, Marsser Limited, Nishikara Investments Limited, Noblespirit Corporation, Paruni Limited and Trendfield, each being a member of the Kuok Group
“Directors”	the directors of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares for Qualifying Shareholder(s) who are not CDP Depositor(s)
“Excluded Overseas Shareholder(s)”	Shareholder(s) and CDP Depositor(s) (i) whose name(s) appear(s) on the Register of Members or on the CDP Register (as the case may be), in each case at 5:00 p.m. on the Record Date; and (ii) whose address(es) as recorded on the Register of Members or on the CDP Register (as the case may be) is (are) in jurisdictions outside the Included Jurisdictions, and the Directors, after making enquiries, consider it necessary or expedient to exclude such Shareholder(s) and CDP Depositor(s) from the Rights Issue on grounds either of legal restrictions under the laws of such jurisdiction(s) or the requirements of the relevant regulatory body or stock exchange in such jurisdiction(s)
“Executive Committee”	the executive committee of the Company
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar(s)”	Hong Kong dollar(s), the lawful currency of Hong Kong

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## DEFINITIONS

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“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Registrar”	Tricor Abacus Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Company’s branch share registrar in Hong Kong
“Hong Kong Register”	the branch register of Shareholders in Hong Kong and maintained by the Hong Kong Branch Registrar
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Included Jurisdictions”	Hong Kong, Singapore, Germany, Indonesia, Malaysia, Maldives and the PRC, and each of such jurisdictions is referred to as an “Included Jurisdiction”
“Irrevocable Undertaking”	the irrevocable undertaking dated 22 October 2014 given by each of the Covenantors in favour of the Company and the Underwriters
“KGL”	Kerry Group Limited, a company incorporated under the laws of Cook Islands and a substantial shareholder of the Company
“KHL”	Kerry Holdings Limited, a company incorporated under the laws of Hong Kong and a substantial shareholder of the Company
“KSL”	Kuok (Singapore) Limited, a company incorporated under the laws of Singapore
“Kuok Brothers”	Kuok Brothers Sdn Berhad, a company incorporated under the laws of Malaysia
“Kuok Group”	companies owned and/or controlled by Mr KUOK Hock Nien and/or interests associated with him
“Latest Acceptance Date”	Monday, 15 December 2014

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## DEFINITIONS

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“Latest Acceptance Time”	5:00 p.m. (Singapore time) (or 9:30 p.m. (Singapore time) for electronic acceptances through the ATMs of the participating banks) on Monday, 8 December 2014 (for Qualifying Shareholders who are CDP Depositors) and 4:00 p.m. (Hong Kong time) on Monday, 15 December 2014 (for Qualifying Shareholders who are not CDP Depositors), being the latest time by which provisional allotments of Rights Shares may validly be accepted and excess Rights Shares may validly be applied for
“Latest Practicable Date”	Friday, 14 November 2014, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Termination”	4:00 p.m. on Thursday, 18 December 2014 (or such later time and date as determined and announced by the Company), being the latest time and date on which the Underwriting Agreement can be terminated by the Underwriters pursuant to the terms and conditions therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Market Day”	a day on which the SGX-ST is open for trading in securities
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“PAL(s)”	the provisional allotment letter(s) for Qualifying Shareholder(s) who are not CDP Depositor(s)
“PRC” or “Mainland China”	The People’s Republic of China, which for the purposes of this Prospectus excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PricewaterhouseCoopers”	PricewaterhouseCoopers, the reporting accountant of the Company
“Principal Register”	the principal register of Shareholders in Bermuda maintained by the Principal Registrar

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## DEFINITIONS

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“Principal Registrar”	MUFG Fund Services (Bermuda) Limited of The Belvedere Building, 69 Pitts Bay Road, Pembroke HM 08, Bermuda, the Bermuda principal share registrar of the Company
“Prospectus”	this prospectus issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Qualifying Shareholder(s)”	Shareholder(s) and CDP Depositor(s), other than the Excluded Overseas Shareholder(s), whose name(s) appear(s) on the Register of Members or the CDP Register (as the case may be) at 5:00 p.m. on the Record Date
“Record Date”	Tuesday, 18 November 2014, being the date of reference to which entitlements to the Rights Issue were determined
“Register of Members”	any of the Principal Register and the Hong Kong Register
“Registered Nominee”	a nominee (including HKSCC Nominees Limited) whose name appears on the Register of Members
“Remuneration Committee”	the remuneration committee of the Company
“Rights Issue”	the issue by way of rights of not less than 447,499,257 Rights Shares and not more than 470,932,751 Rights Shares in the proportion of one (1) Rights Share for every seven (7) Shares held on the Record Date at the Subscription Price payable in full on acceptance
“Rights Share(s)”	new Share(s) of HK\$1.00 each to be allotted and issued under the Rights Issue
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“SGX-ST Listing Application”	the application by the Company to the SGX-ST for the listing of, and quotation for, the Rights Shares in their fully-paid form

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Share Options”	options granted by the Company under any of the Share Option Schemes, entitling the holders of such options to subscribe for Shares
“Share Option Schemes”	the share option schemes adopted by the Company on 24 May 2002 and 28 May 2012, respectively, pursuant to which the Company may grant options entitling the holders to subscribe for Shares
“Shareholder(s)”	holder(s) of Share(s) as recorded on the Register of Members
“Singapore”	the Republic of Singapore
“Subscription Price”	HK\$11.10 per Rights Share
“subsidiary”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Trendfield”	Trendfield Inc., a company incorporated under the laws of the British Virgin Islands
“Underwriters”	Baylite and Trendfield, each being a member of the Kuok Group
“Underwriting Agreement”	the underwriting agreement dated 22 October 2014 entered into between the Company and the Underwriters in relation to the Rights Issue
“US” or “United States”	the United States of America (including its territories and possessions, any state in the United States and the District of Columbia)
“US Securities Act”	the US Securities Act of 1933, as amended
“US\$” or “US dollars(s)”	US dollar(s), the lawful currency of the United States
“%”	per cent.

*In this Prospectus, where Hong Kong dollar amounts have been translated from US dollars, such translations are for the convenience of the readers only and, unless otherwise specified, have been made at the rate of US\$1.00 to HK\$7.75. No representation is made that the US dollar amounts have been, could have been or could be, converted into Hong Kong dollars, or vice versa, at such rates or at any other rate on any relevant date.*



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## TERMINATION OF THE UNDERWRITING AGREEMENT

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The Underwriters may terminate the arrangements set out in the Underwriting Agreement, the right of which is exercisable by the Underwriters by notice in writing to the Company at any time prior to the Latest Time for Termination, which is expected to be 4:00 p.m. (Hong Kong time) on Thursday, 18 December 2014, if there occurs:

- (i) any new law or regulation or any 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 place in which any member of the Group conducts or carries on business; or
- (ii) any change in (or any event or series of events resulting or likely to result in any change in) local, national or international financial, political, military, industrial, economic, currency or (whether or not of the same nature with any of the foregoing) market conditions; or
- (iii) any change in the conditions of local, national or international securities markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Hong Kong Stock Exchange or the SGX-ST owing to exceptional financial circumstances or otherwise); or
- (iv) any breach of the warranties in the Underwriting Agreement by the Company or any of the Covenantors commits any breach of the Irrevocable Undertaking,

which, in the case of any of (i), (ii), (iii) or (iv) above, in the reasonable opinion of the Underwriters:

- (a) has or will have a material adverse effect on the Company or the Group or the Rights Issue; or
- (b) has or will have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- (c) makes it inadvisable or inexpedient for the Company to proceed with the Rights Issue.

If the Underwriters exercise such right, the Underwriting Agreement shall terminate and all obligations (save for the terms and conditions governing payment of costs and expenses, requirements of making announcement and confidentiality) of the parties to the Underwriting Agreement shall forthwith cease and no party shall (save for the terms and conditions governing payment of costs and expenses, requirements of making announcement and confidentiality, and any right or liability accrued before such termination) have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement. If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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Existing Shares have been dealt in on an ex-rights basis on the Hong Kong Stock Exchange and the SGX-ST from Friday, 14 November 2014. Dealings in the Rights Shares in their nil-paid form will commence on the SGX-ST from Wednesday, 26 November 2014 to Tuesday, 2 December 2014, both days inclusive, and on the Hong Kong Stock Exchange from 9:00 a.m. on Wednesday, 26 November 2014 to 4:00 p.m. on Wednesday, 10 December 2014. If the Underwriters terminate the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or are not waived by the Underwriters (in respect of certain conditions that may be waived by the Underwriters), the Rights Issue will not proceed. See the section headed “Conditions of the Underwriting Agreement” in the Letter from the Board of this Prospectus. Any Shareholder or other person dealing in the Shares from Friday, 24 October 2014, being the date of the resumption of trading of Shares after publication of the Announcement, up to the latest time at which all conditions to which the Rights Issue is subject are fulfilled or, if applicable, waived by the Underwriters (which is expected to be 4:00 p.m. on Thursday, 18 December 2014), or in the Rights Shares in their nil-paid form on the Hong Kong Stock Exchange and on the SGX-ST during the respective periods as aforesaid, will accordingly bear the risk that the Rights Issue may not become unconditional. Any Shareholder or other person contemplating selling or purchasing existing Shares on an ex-rights basis and/or the Rights Shares in their nil-paid form during these periods who is in doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

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## SUMMARY OF THE RIGHTS ISSUE

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

Number of Rights Shares to be issued:	Not less than 447,499,257 Rights Shares and not more than 470,932,751 Rights Shares.
Amount to be raised:	Approximately HK\$4,967.2 million before expenses (assuming none of the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds is exercised on or before the Record Date since the date of the Announcement).
Subscription Price:	HK\$11.10 per Rights Share payable in full on acceptance.
Latest Acceptance Time:	5:00 p.m. (Singapore time) (or 9:30 p.m. (Singapore time) for electronic acceptances through the ATMs of the participating banks) on Monday, 8 December 2014 (for Qualifying Shareholders who are CDP Depositors) and 4:00 p.m. (Hong Kong time) on Monday, 15 December 2014 (for Qualifying Shareholders who are not CDP Depositors).
Basis of the Rights Issue:	One (1) Rights Share for every seven (7) Shares held on the Record Date.
Excess applications:	The Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments. Such Rights Shares comprise (i) any unsold entitlements of the Excluded Overseas Shareholders; (ii) any unsold Rights Shares created by adding together fractions of Rights Shares; and (iii) any Rights Shares provisionally allotted but not accepted.
Status of the Rights Shares:	When fully-paid and allotted, the Rights Shares will rank <i>pari passu</i> in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

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## SUMMARY OF THE RIGHTS ISSUE

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**Irrevocable Undertaking:** Each of the Covenantors has irrevocably and severally undertaken to the Company and the Underwriters that (i) the Shares beneficially owned by it as at the date of the Irrevocable Undertaking will remain so owned from the date of the Irrevocable Undertaking up to the close of business on the Record Date (the aggregate number of Shares so owned by the Covenantors as at the date of the Irrevocable Undertaking was 1,748,103,321 Shares); (ii) it will subscribe or procure the subscription for its entitlement to the Rights Shares provisionally allotted to it pursuant to the terms of the Rights Issue in respect of those Shares beneficially owned by it on the date of the Irrevocable Undertaking and lodge with the Company acceptance in respect of such Rights Shares provisionally allotted to it, with payment in full therefor in cash; and (iii) it will not dispose of or transfer its beneficial interests in any of the Shares beneficially owned by it as at the date of the Irrevocable Undertaking from the date of the Irrevocable Undertaking up to and including the Record Date.

**Excluded Overseas Shareholders:** No Rights Shares will be offered and no provisional allotment will be made to the Excluded Overseas Shareholders. The Rights Shares which would otherwise have been provisionally allotted to the Excluded Overseas Shareholders may be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. In respect of both Excluded Overseas Shareholders who are not CDP Depositors and Excluded Overseas Shareholders who are CDP Depositors, the proceeds of the sales of the Rights Shares which would otherwise have been provisionally allotted to such Excluded Overseas Shareholders, less expenses, will be paid *pro rata* to such Excluded Overseas Shareholders in Hong Kong dollars if any of such Excluded Overseas Shareholders is entitled to an individual amount of HK\$100 or more. The Company will retain individual amounts of less than HK\$100 for its own benefit.

In respect of Excluded Overseas Shareholders who are CDP Depositors, they should receive a letter from the Company relating to the Rights Issue and should refer to the letter for, *inter alia*, the arrangements made by the Company to sell nil-paid Rights Shares on the SGX-ST, the provisional allotment of Rights Shares which would otherwise have been allotted to the Excluded Overseas Shareholders who are CDP Depositors, and the terms which relate to such sale.

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## EXPECTED TIMETABLE

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*The following timetable is for Qualifying Shareholders who are not CDP Depositors. Qualifying Shareholders who are CDP Depositors should refer to Appendix IV to this Prospectus.*

(All times in this timetable refer to Hong Kong time)

Despatch of the Prospectus Documents

by ordinary post . . . . . Monday, 24 November 2014

Earliest time for dealings in nil-paid Rights Shares . . . . . 9:00 a.m. on Wednesday,  
26 November 2014

Latest time for splitting of nil-paid Rights Shares . . . . . 4:30 p.m. on Friday,  
5 December 2014

Latest time for dealings in nil-paid Rights Shares . . . . . 4:00 p.m. on Wednesday,  
10 December 2014

Latest time for acceptance of the Rights Shares

as well as application for excess Rights Shares

and payment of consideration therefor . . . . . 4:00 p.m. on Monday,  
15 December 2014

Latest time for Rights Issue and Underwriting Agreement

to become unconditional . . . . . 4:00 p.m. on Thursday,  
18 December 2014

Announcement of results of acceptance of the Rights Issue . . . . Friday, 19 December 2014

Despatch of refund cheques in respect of wholly or  
partially unsuccessful excess applications

by ordinary post . . . . . Monday, 22 December 2014

Despatch of certificates for fully-paid Rights Shares

by ordinary post . . . . . Monday, 22 December 2014

Commencement time for dealings in fully-paid Rights Shares . . . . . 9:00 a.m. on Tuesday,  
23 December 2014

*Notes:*

- (a) If there is a tropical cyclone warning signal number 8 or above, and/or a “black” rainstorm warning, in force in Hong Kong before 12:00 noon but no longer in force after 12:00 noon on Monday, 15 December 2014, the Latest Acceptance Time for Qualifying Shareholders who are not CDP Depositors will be extended to 5:00 p.m. on the same Business Day.
- (b) If there is a tropical cyclone warning signal number 8 or above, and/or a “black” rainstorm warning, in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on Monday, 15 December 2014, the Latest Acceptance Time for Qualifying Shareholders who are not CDP Depositors will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.
- (c) If the Latest Acceptance Time for Qualifying Shareholders who are not CDP Depositors does not take place on Monday, 15 December 2014, the dates mentioned in this section will be adjusted accordingly. An announcement will be made by the Company in such event.

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## LETTER FROM THE BOARD

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SHANGRI-LA ASIA LIMITED

香格里拉(亞洲)有限公司

(Incorporated in Bermuda with limited liability)

website: [www.ir.shangri-la.com](http://www.ir.shangri-la.com)

(Stock code: 00069)

*Board of Directors:*

*Executive Directors*

Mr KUOK Khoon Chen (*Chairman*)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Mr Gregory Allan DOGAN

*Non-executive Directors*

Mr HO Kian Guan

Ms KUOK Hui Kwong

Mr HO Kian Hock (*alternate to Mr HO Kian Guan*)

*Independent non-executive Directors*

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Mr WONG Kai Man

Professor LI Kwok Cheung Arthur

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Head office and principal place of  
business in Hong Kong:*

28th Floor

Kerry Centre

683 King's Road

Quarry Bay

Hong Kong

24 November 2014

*To the Qualifying Shareholders and, for information only,  
certain Excluded Overseas Shareholders*

Dear Sir or Madam,

### **RIGHTS ISSUE**

**AT THE SUBSCRIPTION PRICE OF HK\$11.10 PER RIGHTS SHARE  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY SEVEN (7) SHARES HELD ON THE RECORD DATE  
PAYABLE IN FULL ON ACCEPTANCE**

#### **1. INTRODUCTION**

On 23 October 2014, the Board announced that, subject to the fulfilment of the conditions of the Rights Issue, the Company proposed to raise approximately HK\$4,967.2 million before expenses (assuming none of the subscription rights attaching to the outstanding Share Options

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## LETTER FROM THE BOARD

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and the conversion rights attaching to the outstanding Convertible Bonds is exercised on or before the Record Date since the date of the Announcement), by way of a Rights Issue of not less than 447,499,257 Rights Shares and not more than 470,955,608 Rights Shares at the Subscription Price of HK\$11.10 per Rights Share payable in full on acceptance. The Board further announced on 31 October 2014 details of the expected timetable for the Rights Issue. The purpose of this Prospectus is to set out details of the Rights Issue and certain financial and other information on the Group.

As at the date of the Announcement, there were (i) 3,132,494,799 existing Shares in issue; (ii) outstanding Share Options entitling the holders to subscribe for 25,543,500 Shares; and (iii) outstanding Convertible Bonds entitling the holders to convert into 138,650,963 Shares. Accordingly, the number of Rights Shares to be issued under the Rights Issue would have been not less than 447,499,257 Rights Shares.

As at the Latest Practicable Date, there were 3,132,494,799 Shares in issue. In the proportion of one (1) Rights Share for every seven (7) Shares held on the Record Date, the number of Rights Shares to be issued under the Rights Issue will be not less than 447,499,257 Rights Shares. The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which have been allotted and issued on or before the Record Date, including Shares which have been allotted and issued to holders of (i) the outstanding Share Options pursuant to an exercise of the subscription rights attaching to the Share Options; and (ii) the outstanding Convertible Bonds pursuant to an exercise of the conversion rights attaching to the Convertible Bonds, in each case on or prior to the Record Date. Between the date of the Announcement and the Latest Practicable Date, certain outstanding Share Options, which would have entitled the holders thereof to subscribe for 160,000 Shares, have lapsed. As at the Latest Practicable Date, there were (i) outstanding Share Options entitling the holders to subscribe for up to 25,383,500 Shares; and (ii) outstanding Convertible Bonds entitling the holders to convert up to 138,650,963 Shares. If all of the subscription rights attaching to such outstanding Share Options and the conversion rights attaching to such outstanding Convertible Bonds are exercised and Shares are allotted and issued pursuant to such exercises on or before the Record Date, the maximum number of issued Shares will be increased to 3,296,529,262 Shares and the maximum number of Rights Shares which may be issued pursuant to the Rights Issue will be increased to 470,932,751 Rights Shares.

## 2. TERMS OF THE RIGHTS ISSUE

To qualify for the Rights Issue, a person must be registered as a Shareholder or CDP Depositor (other than an Excluded Overseas Shareholder) as at 5:00 p.m. on the Record Date.

In order to be registered as a Shareholder on the Record Date, any transfers of Shares (with the relevant share certificate(s)) must have been lodged for registration with the Hong Kong Branch Registrar, Tricor Abacus Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Monday, 17 November 2014 (the Register of Members was closed from Tuesday, 18 November 2014 to Thursday, 20 November 2014, both

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## LETTER FROM THE BOARD

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dates inclusive). In the case of CDP Depositors, only those CDP Depositors (i) whose names appeared on the CDP Register; and (ii) who had registered their addresses with CDP or provided CDP with addresses in the Included Jurisdictions, as at 5:00 p.m. (Singapore time) on the Record Date, would have been qualified to participate in the Rights Issue through CDP.

The Company has provisionally allotted the Rights Shares to the Qualifying Shareholders in the proportion of one (1) Rights Share for every seven (7) Shares held by the Qualifying Shareholders at the Subscription Price payable in full on acceptance. The Latest Acceptance Time is 5:00 p.m. (Singapore time) (or 9:30 p.m. (Singapore time) for electronic acceptances through the ATMs of the participating banks) on Monday, 8 December 2014 (for Qualifying Shareholders who are CDP Depositors) and 4:00 p.m. (Hong Kong time) on Monday, 15 December 2014 (for Qualifying Shareholders who are not CDP Depositors).

### **Subscription Price**

The Subscription Price of HK\$11.10 per Rights Share is payable in full when provisional allotment of the Rights Shares is accepted or, where applicable, excess Rights Shares are applied for, or when a transferee or purchaser of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters.

The Subscription Price represents:

- (i) the closing price per Share of HK\$11.10 as quoted on the Hong Kong Stock Exchange on Wednesday, 22 October 2014, being the last trading day prior to the date of the Announcement;
- (ii) the theoretical ex-rights price of HK\$11.10 per Share based on the closing price per Share as quoted on the Hong Kong Stock Exchange on Wednesday, 22 October 2014;
- (iii) a discount of approximately 0.6% to the average of the closing prices per Share as quoted on the Hong Kong Stock Exchange for the last ten trading days prior to and including Wednesday, 22 October 2014 of approximately HK\$11.17;
- (iv) a premium of approximately 3.2% over the closing price per Share of HK\$10.76 as quoted on the Hong Kong Stock Exchange as at the Latest Practicable Date;
- (v) a premium of approximately 2.8% over the theoretical ex-rights price of approximately HK\$10.80 per Share based on the closing price per Share as quoted on the Hong Kong Stock Exchange as at the Latest Practicable Date;
- (vi) a discount of approximately 26.9% to the unaudited consolidated net tangible asset value of the Group attributable to Shareholders as at 30 June 2014 (after adjustment for the 2014 declared interim dividend of the Company) of approximately US\$1.96 (equivalent to approximately HK\$15.19) per Share; and



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## LETTER FROM THE BOARD

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- (vii) a discount of approximately 24.6% to the unaudited pro forma adjusted consolidated net tangible asset value of the Group attributable to Shareholders after completion of the Rights Issue (which takes no account of the allotment and issuance of any additional Shares which may have been issued as a result of the exercise of the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds subsequent to the Latest Practicable Date and no adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2014, including but not limited to the 2014 declared interim dividend of the Company) of approximately US\$1.90 (equivalent to approximately HK\$14.73) per Share, as set out in Appendix II to this Prospectus.

Each Rights Share has a par value of HK\$1.00.

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

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

The Rights Shares, when fully-paid and allotted, will rank *pari passu* in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

### **Share certificates and refund cheques for the Rights Shares**

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or about Monday, 22 December 2014 to Qualifying Shareholders who are not CDP Depositors and who have accepted and, where applicable, successfully applied for excess Rights Shares and paid for the Rights Shares by ordinary post, at their own risk. CDP Depositors who have accepted and, where applicable, successfully applied for excess Rights Shares and paid for the Rights Shares, can expect to have their respective securities accounts with CDP credited with the Rights Shares on or about Tuesday, 30 December 2014.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted by ordinary post to applicants at their own risk on or about Monday, 22 December 2014 (in case of Qualifying Shareholders who are not CDP Depositors) and on or about Tuesday, 30 December 2014 (in the case of Qualifying Shareholders who are CDP Depositors).

### **Rights of Excluded Overseas Shareholders**

The Company has not provisionally allotted any nil-paid Rights Shares to the Excluded Overseas Shareholders. Arrangements will be made by the Company for Rights Shares which would otherwise have been provisionally allotted to the Excluded Overseas Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid

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## LETTER FROM THE BOARD

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Rights Shares commence, if a premium (net of expenses) can be obtained, and to distribute or retain the net proceeds arising therefrom in the manner as described in the section headed “Arrangements for Excluded Overseas Shareholders and Fractional Entitlements” in the Letter from the Board of this Prospectus.

### **Fractions of Rights Shares**

The Company has not provisionally allotted any fractional entitlements of Rights Shares. All fractions of Rights Shares will be aggregated and arrangements will be made by the Company for selling such fractional entitlements of Rights Shares and for retaining the net proceeds arising therefrom in the manner as described in the section headed “Arrangements for Excluded Overseas Shareholders and Fractional Entitlements” in the Letter from the Board of this Prospectus.

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

Qualifying Shareholders may apply, by way of excess applications, for any unsold entitlements of the Excluded Overseas Shareholders, any unsold fractional entitlements of Rights Shares, and any Rights Shares provisionally allotted but not accepted or otherwise subscribed for by transferees or purchasers of nil-paid Rights Shares. The procedures for applying for excess Rights Shares by Qualifying Shareholders who are not CDP Depositors are set out in the section headed “Applications for Excess Rights Shares by Qualifying Shareholders who are not CDP Depositors” in the Letter from the Board of this Prospectus. The procedures for applying for excess Rights Shares by Qualifying Shareholders who are CDP Depositors are set out in Appendix IV to this Prospectus.

### **3. IRREVOCABLE UNDERTAKING**

Each of the Covenantors has irrevocably and severally undertaken to the Company and the Underwriters that (i) the Shares beneficially owned by it as at the date of the Irrevocable Undertaking will remain so owned from the date of the Irrevocable Undertaking up to the close of business on the Record Date (the aggregate number of Shares so owned by the Covenantors as at the date of the Irrevocable Undertaking was 1,748,103,321 Shares); (ii) it will subscribe or procure the subscription for its entitlement to the Rights Shares provisionally allotted to it pursuant to the terms of the Rights Issue in respect of those Shares beneficially owned by it on the date of the Irrevocable Undertaking and lodge with the Company acceptance in respect of such Rights Shares provisionally allotted to it, with payment in full therefor in cash; and (iii) it will not dispose of or transfer its beneficial interests in any of the Shares beneficially owned by it as at the date of the Irrevocable Undertaking from the date of the Irrevocable Undertaking up to and including the Record Date.

### **4. UNDERWRITING ARRANGEMENT**

As at the Latest Practicable Date, there were 3,132,494,799 Shares in issue. In the proportion of one (1) Rights Share for every seven (7) Shares held on the Record Date, the number of Rights Shares to be issued under the Rights Issue will be not less than 447,499,257

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## LETTER FROM THE BOARD

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Rights Shares. The minimum number of Rights Shares underwritten by the Underwriters is 197,770,217 Rights Shares, after excluding the 249,729,040 Rights Shares agreed to be subscribed for by the Covenantors pursuant to the Irrevocable Undertaking. Assuming all the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds are exercised in full on or before the Record Date, the maximum number of Rights Shares that may be issued by the Company is 470,932,751 Rights Shares. On this basis, the maximum number of Rights Shares to be underwritten by the Underwriters will be increased to 221,203,711 Rights Shares, excluding the 249,729,040 Rights Shares undertaken to be subscribed for by the Covenantors pursuant to the Irrevocable Undertaking.

The Underwriters have, pursuant to the Underwriting Agreement, agreed to fully underwrite all the Rights Shares, other than the 249,729,040 Rights Shares agreed to be subscribed for by the Covenantors pursuant to the Irrevocable Undertaking, subject to fulfilment of the conditions of the Rights Issue set out in the Underwriting Agreement. Pursuant and subject to the Underwriting Agreement, the Underwriters shall subscribe as principal for any underwritten Rights Shares that have not been validly accepted or taken up by way of application for excess Rights Shares on the Latest Acceptance Date by Qualifying Shareholders.

The Underwriters are members of the Kuok Group. Baylite and Trendfield shall be responsible for 40% and 60% of the underwriting commitment pursuant to the Underwriting Agreement, respectively. The underwriters may, in their absolute discretion, re-arrange or adjust the proportion of underwriting commitments under the Underwriting Agreement between themselves and shall forthwith notify the Company of such variation.

## LETTER FROM THE BOARD

The following tables illustrate the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue assuming (i) that there is no change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Rights Issue; and (ii) that the only change in the shareholding structure of the Company from the Latest Practicable Date to immediately before completion of the Rights Issue is on account of the allotment and issuance of additional Shares as a result of the exercise of all the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds on or before the Record Date:

### Scenario 1 – Assuming all the Rights Shares are fully subscribed for by the Qualifying Shareholders

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming no outstanding Share Option is exercised and no outstanding Convertible Bond is converted on or after the Latest Practicable Date and on or before completion of the Rights Issue)		Immediately after completion of the Rights Issue (assuming all the Share Options are exercised and all the outstanding Convertible Bonds are converted on or before the Record Date)	
	<i>No. of Shares</i>		<i>No. of Shares</i>		<i>No. of Shares</i>	
	'000	%	'000	%	'000	%
(1) The Underwriters	229,166	7.31	261,904	7.31	261,904	6.95
(2) The Covenantors (other than (1) above)	1,519,824	48.52	1,736,941	48.52	1,736,941	46.11
(3) Other members of the Kuok Group (other than (1) and (2) above)	246,271	7.86	281,453	7.86	282,962	7.51
Total number of Shares held by the Kuok Group ((1) + (2) + (3))	1,995,261	63.69	2,280,298	63.69	2,281,807	60.57
(4) Directors (other than the Directors covered in (3) above)	129,352	4.13	147,831	4.13	150,454	3.99
(5) Other Shareholders	1,007,882	32.18	1,151,865	32.18	1,335,201	35.44
<b>Total</b>	<b>3,132,495</b>	<b>100.00</b>	<b>3,579,994</b>	<b>100.00</b>	<b>3,767,462</b>	<b>100.00</b>

## LETTER FROM THE BOARD

### Scenario 2 – Assuming no Qualifying Shareholder other than the Covenantors subscribe for Rights Shares

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming no Share Option is exercised and no outstanding Convertible Bond is converted on or after the Latest Practicable Date and on or before completion of the Rights Issue)		Immediately after completion of the Rights Issue (assuming all the Share Options are exercised and all the Convertible Bonds are converted on or before the Record Date)	
	No. of Shares		No. of Shares		No. of Shares	
	'000	%	'000	%	'000	%
(1) The Underwriters	229,166	7.31	459,674	12.84	483,108	12.82
(2) The Covenantors (other than (1) above)	1,519,824	48.52	1,736,815	48.52	1,736,815	46.10
(3) Other members of the Kuok Group (other than (1) and (2) above)	246,271	7.86	246,271	6.88	247,591	6.57
Total number of Shares held by the Kuok Group ((1) + (2) + (3))	1,995,261	63.69	2,442,760	68.24	2,467,514	65.49
(4) Directors (other than the Directors covered in (3) above)	129,352	4.13	129,352	3.61	131,647	3.50
(5) Other Shareholders	1,007,882	32.18	1,007,882	28.15	1,168,301	31.01
<b>Total</b>	<b>3,132,495</b>	<b>100.00</b>	<b>3,579,994</b>	<b>100.00</b>	<b>3,767,462</b>	<b>100.00</b>

Notes to scenario 1 and scenario 2 above:

- (a) Between the date of the Announcement and the Latest Practicable Date, certain outstanding Share Options, which would have entitled the holders thereof to subscribe for 160,000 Shares, have lapsed. As at the Latest Practicable Date, the Company has outstanding Share Options to subscribe for up to an aggregate of 25,383,500 Shares, all of which can be freely exercised on or before the Record Date.
- (b) As at the Latest Practicable Date, the Directors hold Share Options to subscribe for 2,645,000 Shares. These Share Options form part of the Share Options mentioned in note (a) above.
- (c) As at the Latest Practicable Date, the Company has outstanding Convertible Bonds convertible into up to an aggregate of 138,650,963 Shares, all of which can be freely exercised on or before the Record Date.
- (d) The shareholding of the Directors set out in item (4) in the tables above is based on the disclosure notice made pursuant to Part XV of the SFO received by the Company.
- (e) The shareholdings set out in the table above are rounded to the nearest 1,000 Shares.

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## LETTER FROM THE BOARD

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Provided that the Rights Issue and the obligations of the Underwriters under the Underwriting Agreement having become unconditional and the Rights Issue having been completed in accordance with its terms, the Company shall pay to the Underwriters underwriting commission (in Hong Kong dollars) at the rate of 1% of the total aggregate Subscription Price for the final number of the Rights Shares underwritten, which shall be paid in cash as soon as reasonably practicable after the Latest Acceptance Time in Hong Kong. The rate of the underwriting commission pursuant to the terms of the Underwriting Agreement is on normal commercial terms and was arrived at after arms' length negotiations between the Company and the Underwriters.

### 5. CONDITIONS OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement is conditional upon the fulfilment (or waiver by the Underwriters in respect of the conditions set out in sub-paragraphs (iv) and (viii) below) of the following on or before the Latest Time for Termination:

- (i) the filing and registration of all relevant documents with the Registrar of Companies in Bermuda and the Registrar of Companies in Hong Kong, respectively (if required);
- (ii) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms and such listing not being revoked prior to the Latest Time for Termination;
- (iii) either (a) the Company fulfilling all the requirements prescribed by the SGX-ST for; or (b) if the SGX-ST Listing Application is made, the SGX-ST granting approval in-principle for, the listing of, and quotation for, the Rights Shares in their fully-paid form and such listing is not revoked prior to the Latest Time for Termination;
- (iv) the compliance by the Company with its obligations under the Underwriting Agreement in relation to, among other things, the compliance with the terms and conditions of the Rights Issue, the despatch of the Prospectus Documents to the Qualifying Shareholders and the delivery of certain completion precedent documents to the Underwriters;
- (v) delivery by each of the Covenantors to the Company and the Underwriters the duly executed Irrevocable Undertaking;
- (vi) compliance by each of the Covenantors of the terms of the Irrevocable Undertaking;
- (vii) the obtaining of all requisite consents and approvals from the relevant regulatory authorities (except for the approval from the Hong Kong Stock Exchange referred to in (ii) above or the approval in-principle from the SGX-ST referred to in (iii) above) in connection with the Rights Issue and the obligations to be performed under the Underwriting Agreement on or before the Record Date; and

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## LETTER FROM THE BOARD

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- (viii) the warranties given by the Company to the Underwriters in the Underwriting Agreement remaining true and accurate in all material respects at all times on or before the Latest Time for Termination.

As at the Latest Practicable Date, the condition set out in sub-paragraph (v) above has been satisfied. In the event that the conditions set out above have not been satisfied and/or, in respect of the conditions set out in sub-paragraphs (iv) and (viii) above, waived in whole or in part by the Underwriters on or before the respective dates stated for its satisfaction in the Underwriting Agreement, or if the Underwriting Agreement is terminated pursuant to the terms and conditions thereof, then all obligations (save for the terms and conditions governing payment of costs and expenses, requirements of making announcement and confidentiality) of the parties to the Underwriting Agreement shall forthwith cease and no party shall (save for the terms and conditions governing payment of costs and expenses, requirements of making announcement and confidentiality, and any right or liability accrued before such termination) have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

### **6. TERMINATION OF THE UNDERWRITING AGREEMENT**

The Underwriters may terminate the arrangements set out in the Underwriting Agreement, the right of which is exercisable by the Underwriters by notice in writing to the Company at any time prior to the Latest Time for Termination, which is expected to be 4:00 p.m. (Hong Kong time) on Thursday, 18 December 2014, if there occurs:

- (i) any new law or regulation or any 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 place in which any member of the Group conducts or carries on business; or
- (ii) any change in (or any event or series of events resulting or likely to result in any change in) local, national or international financial, political, military, industrial, economic, currency or (whether or not of the same nature with any of the foregoing) market conditions; or
- (iii) any change in the conditions of local, national or international securities markets (including but without limitation, the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Hong Kong Stock Exchange or the SGX-ST owing to exceptional financial circumstances or otherwise); or
- (iv) any breach of the warranties in the Underwriting Agreement by the Company or any of the Covenantors commits any breach of the Irrevocable Undertaking,

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## LETTER FROM THE BOARD

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which, in the case of any of (i), (ii), (iii) or (iv) above, in the reasonable opinion of the Underwriters:

- (a) has or will have a material adverse effect on the Company or the Group or the Rights Issue; or
- (b) has or will have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- (c) makes it inadvisable or inexpedient for the Company to proceed with the Rights Issue.

If the Underwriters exercise such right, the Underwriting Agreement shall terminate and all obligations (save for the terms and conditions governing payment of costs and expenses, requirements of making announcement and confidentiality) of the parties to the Underwriting Agreement shall forthwith cease and no party shall (save for the terms and conditions governing payment of costs and expenses, requirements of making announcement and confidentiality, and any right or liability accrued before such termination) have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement. If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed.

### 7. CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the obligations of the Underwriters under the Underwriting Agreement becoming unconditional on or before the Latest Time for Termination and the Underwriting Agreement not being terminated in accordance with its terms and conditions as referred to in the section headed “Termination of the Underwriting Agreement” in the Letter from the Board of this Prospectus.

**If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.**

### 8. REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Directors consider it appropriate for the Company to pursue the fund raising opportunity through the Rights Issue on a fully underwritten basis and on a basis which will allow all Qualifying Shareholders to participate in the Rights Issue in proportion to their shareholdings.

The estimated net proceeds of the Rights Issue will be approximately HK\$4,937.0 million (assuming none of the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds is exercised on or before the Record Date) or approximately HK\$5,195.0 million (assuming all the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the



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## LETTER FROM THE BOARD

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outstanding Convertible Bonds are exercised on or before the Record Date). As at the Latest Practicable Date, the Company has not identified any new target or investment opportunities. The Company intends to use a substantial part of the net proceeds from the Rights Issue, being approximately HK\$3,900.0 million, to repay the Group's bank loans to save interest costs. The remaining net proceeds will be used as general working capital and to fund capital expenditures for on-going hotels, composite and investment properties development projects. The Group will, however, subsequently and progressively continue to draw down bank loans to fund its on-going development projects.

The Directors believe that it is in the interests of the Group and the shareholders of the Company to enlarge the capital base of the Company through the Rights Issue in order to support the continuing development of the Group's existing business.

### 9. REVIEW OF OPERATIONS AND PROSPECTS

The Company is an investment holding company and its subsidiaries are primarily engaged in hotel operations, hotel management and investment property ownership. The principal activities of the Group are the ownership and operation of hotels and associated properties and the provision of hotel management and related services.

The Company's subsidiaries are also the registered proprietors of various trademarks and service marks in various countries, including the brand names "Shangri-La", "Traders", "Rasa", "Hotel Jen", "Summer Palace" and "Shang Palace" and related devices and logos.

The principal assets owned by the Group in the PRC include China World Trade Center Limited, which is a company owned as to 50% by the Group and the remaining 50% by China Shimao. China World Trade Center Limited owns various assets located in Beijing including the China World Hotel and the Traders Hotel, and its subsidiary, China World Trade Center Company Limited, owns the China World Trade Center Tower III in Beijing where the China World Summit Wing is located. The Company has, through a wholly-owned subsidiary, entered into an agreement on 15 July 2014 with China Shimao in respect of the extension of the end of the joint venture term of China World Trade Center Limited from 29 August 2038 to 29 August 2052. The extension of the joint venture term has been approved by the relevant authorities in the PRC on 26 September 2014.

As disclosed in the published 2014 interim report of the Company, the Group's financial performance this year has been weighted down by the difficult operating environment faced by the Group-owned hotels in Mainland China where the market has been characterized by the weak demand and emergence of additional competitive supply in most cities. While demand in some cities like Beijing and Shanghai is gradually improving, intense price competition continues for some hotels in cities with supply concerns. The adverse impact of the political uncertainties in Thailand, the weakening of key currencies such as the Renminbi, Australian dollar and the Philippines Peso relative to the US dollar and the start-up costs of newly opened hotels is expected to continue to be a drag on the Group's profitability for the rest of 2014. Recurring profits from investment properties have, however, provided a vital underpinning for the Group's annual results.

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## LETTER FROM THE BOARD

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As envisaged, the Group launched its new brand “Hotel Jen” with the opening of the Hotel Jen Orchardgateway Singapore on 15 September 2014. This 502-rooms new hotel is being run under an operating lease agreement. The existing “Traders” hotels in Singapore, Hong Kong, Brisbane and Penang have since been rebranded as “Hotel Jen”. Progressively, most other “Traders” hotels will be rebranded as “Hotel Jen” before the end of March 2015.

In Mainland China, phase I of the 506-rooms Shangri-La’s Sanya Resort & Spa, Hainan (a 100% owned hotel), which comprises 340 rooms, and phase I of the 522-rooms Shangri-La Hotel, Nanjing (a 55% owned hotel), which comprises 450 rooms, opened for business on 24 October 2014 and 25 October 2014, respectively.

As at the Latest Practicable Date, the Group has equity interests in 67 operating hotels/resorts (including the Portman Ritz Carlton Hotel, Shanghai) and 3 hotels under operating lease. The Group’s investment properties are located principally in Shanghai and Beijing and are owned by associates which include the China World Trade Center in Beijing, the Beijing Kerry Centre, Jing An Kerry Centre and the Kerry Parkside, Pudong in Shanghai.

The Group has a substantial development pipeline with upcoming projects in Hong Kong, Mainland China, Indonesia, Mongolia, Myanmar, the Philippines, Sri-Lanka and Ghana.

Proceeds of the Rights Issue can reduce the Group’s outstanding bank loans and save interest costs and strengthen the financial position of the Group in order to support its development programme.

### **10. ARRANGEMENTS FOR EXCLUDED OVERSEAS SHAREHOLDERS AND FRACTIONAL ENTITLEMENTS**

The Prospectus Documents, the ARE and the ARS have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. A copy of this Prospectus will also be deposited with the Securities Commission of Malaysia within seven days after the issue of this Prospectus. Save for the foregoing, the Prospectus Documents have not been and will not be registered or filed under any applicable securities or equivalent legislation of any territory or jurisdiction.

As at the Latest Practicable Date, the Company has Shareholders and CDP Depositors with registered addresses as shown on the Register of Members or CDP Register (as the case may be) in 12 jurisdictions outside Hong Kong and Singapore. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Rights Shares to such Shareholders and CDP Depositors.

The Company has obtained legal advice regarding the legal restrictions under the laws of the relevant jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions that would or may apply if the offer of Rights Shares is made in those territories or jurisdictions outside the Included Jurisdictions, namely Australia, Brunei

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## LETTER FROM THE BOARD

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Darussalam, Japan, New Zealand, Taiwan, the United Kingdom and the United States, based on the Register of Members and the CDP Register as at the Latest Practicable Date. As at the Latest Practicable Date, the aggregate shareholding of Shareholders and CDP Depositors with addresses in the Included Jurisdictions represented approximately 99.96% of the then issued share capital of the Company, while the aggregate shareholding of Shareholders and CDP Depositors with registered addresses in jurisdictions other than the Included Jurisdictions (namely the jurisdictions mentioned above) only represented approximately 0.04% of the issued share capital of the Company. On the basis of the advice received and taking into account the small percentage of shareholdings held in aggregate by the Excluded Overseas Shareholders based on the Register of Members and the CDP Register as at the Latest Practicable Date, the Board considers that it is necessary or expedient and in the interests of the Company and Shareholders as a whole not to offer the Rights Shares to the Excluded Overseas Shareholders because of the time and costs involved in complying with the relevant legal and regulatory requirements. Therefore, the Board has exercised the discretion given to it under the Bye-laws of the Company not to offer the Rights Shares to the Excluded Overseas Shareholders.

Accordingly, no PAL, EAF, ARE or ARS has been sent to any of the Excluded Overseas Shareholders. In addition, no person receiving a PAL, a EAF, an ARE or an ARS in any territory or jurisdiction other than the Included Jurisdictions may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof.

Where permitted by the laws of the relevant jurisdictions other than the Included Jurisdictions, the Company will only send this Prospectus to the relevant Excluded Overseas Shareholders for their information only and will not despatch a PAL, a EAF, an ARE or an ARS to such Excluded Overseas Shareholders.

It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any government or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional adviser. No application for the Rights Shares will be accepted from any Excluded Overseas Shareholders. The Company reserves the right to refuse to accept any acceptances of or applications for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any territory or jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

Arrangements have been made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Overseas Shareholders to be sold in the open market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares

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## LETTER FROM THE BOARD

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commence, if a premium (net of expenses) can be obtained. The proceeds of such sales, less expenses, will be paid *pro rata* to the relevant Excluded Overseas Shareholders in Hong Kong dollars if any of such Excluded Overseas Shareholders is entitled to an individual amount of HK\$100 or more. The Company will retain individual amounts of less than HK\$100 for its own benefit. It is expected that cheques for such proceeds of sale, if any, will be despatched to those entitled thereto by ordinary post at their own risk on or about Monday, 22 December 2014 (in case of the Excluded Overseas Shareholders who are not CDP Depositors) and on or about Tuesday, 30 December 2014 (in the case of Excluded Overseas Shareholders who are CDP Depositors).

The Company has not provisionally allotted fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will, if a premium (net of expenses) can be achieved, be sold in the market. The Company will keep the proceeds of such sale of nil-paid Rights Shares for its own benefit.

### **11. PROCEDURES FOR ACCEPTANCE OR TRANSFER FOR QUALIFYING SHAREHOLDERS WHO ARE NOT CDP DEPOSITORS**

A PAL is enclosed with this Prospectus which entitles you to take up the number of Rights Shares shown therein.

**If you wish to exercise your rights to take up all the Rights Shares specified in the PAL, you must lodge the PAL in accordance with the instructions** printed thereon, together with a payment for the full amount payable on acceptance, with the Hong Kong Branch Registrar, Tricor Abacus Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. (Hong Kong time) on Monday, 15 December 2014. All payments must be made in Hong Kong dollars and by cheques, banker's drafts or banker's cashier orders. Cheques must be drawn on an account with, banker's drafts must be drawn on, and banker's cashier orders must be issued by, a bank in Hong Kong and made payable to "Shangri-La Asia Limited – Rights Issue Account" and crossed "Account Payee Only". Such payment will constitute full acceptance of the provisional allotment on terms of the PAL and this Prospectus and subject to the Memorandum of Association and Bye-laws of the Company.

**If you wish to transfer all of your rights** provisionally allotted to you under the PAL to one person or persons as joint holders, you and the person(s) to or through whom you are transferring such rights must complete and sign the PAL in accordance with the instructions printed thereon, and the transferee(s) must then lodge the PAL intact, together with a payment for the full amount payable on acceptance, with the Hong Kong Branch Registrar, Tricor Abacus Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. (Hong Kong time) on Monday, 15 December 2014.

All payments must be made in Hong Kong dollars and by cheques, banker's drafts or banker's cashier orders. Cheques must be drawn on an account with, banker's drafts must be drawn on, and banker's cashier orders must be issued by, a bank in Hong Kong and made payable to "Shangri-La Asia Limited – Rights Issue Account" and crossed "Account Payee Only". It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares.

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## LETTER FROM THE BOARD

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If you wish to accept only part of your provisional allotment of Rights Shares (without renouncing the balance of your provisional allotment under the PAL), or transfer part of your rights to subscribe for the Rights Shares provisionally allotted to you under the PAL, or transfer your rights to more than one person (not as joint holders), the entire PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. (Hong Kong time) on Friday, 5 December 2014 with the Hong Kong Branch Registrar, Tricor Abacus Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required.

All cheques, banker's drafts and banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the accompanying cheque, banker's draft or banker's cashier order is dishonoured on first or, at the option of the Company, subsequent presentation is liable to be rejected and, in that event, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled at the discretion of the Company.

If the Underwriters exercise their rights to terminate their obligations under the Underwriting Agreement before the Latest Time for Termination, the subscription monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form shall have been validly transferred without interest by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or other persons on or about Monday, 22 December 2014.

**Qualifying Shareholders who are CDP Depositors should refer to Appendix IV to this Prospectus for details of the procedures for application for the Rights Shares and the excess Rights Shares.**

### **12. APPLICATIONS FOR EXCESS RIGHTS SHARES BY QUALIFYING SHAREHOLDERS WHO ARE NOT CDP DEPOSITORS**

**If you wish to apply for any Rights Shares in addition to your provisional allotment under the Rights Issue, you must complete and sign the enclosed EAF as indicated therein and lodge it, together with a separate payment for the amount payable on application in respect of the excess Rights Shares applied for, with the Hong Kong Branch Registrar, Tricor Abacus Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. (Hong Kong time) on Monday, 15 December 2014. All payments must be made in Hong Kong dollars and by cheques, banker's drafts or banker's cashier orders. Cheques must be drawn on an account with, banker's drafts must be drawn on, and banker's cashier orders must be issued by, a bank in Hong Kong and made payable to "Shangri-La Asia Limited – Excess Application Account" and crossed "Account Payee Only".**

All cheques, banker's drafts and banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which the accompanying cheque, banker's draft or banker's cashier order is dishonoured on first or, at the option of the Company, subsequent presentation is liable to be rejected.

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## LETTER FROM THE BOARD

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The Board will allot the excess Rights Shares applied for at its sole discretion on a fair and reasonable basis on the principles set out in the section headed “Allocation of Excess Rights Shares” in the Letter from the Board of this Prospectus.

If no excess Rights Shares are allotted to you, the amount tendered on application will be refunded to you in full without interest by means of cheques despatched by ordinary post at your own risk on or about Monday, 22 December 2014. If the number of excess Rights Shares allotted to you is less than that applied for, the surplus application money will be refunded to you without interest by means of cheques despatched by ordinary post at your own risk on or about Monday, 22 December 2014.

If the Underwriters exercise their rights to terminate their obligations under the Underwriting Agreement before the Latest Time for Termination, the subscription monies received in respect of applications for excess Rights Shares will be returned to the applicants without interest by means of cheques despatched by ordinary post at the risk of such applicants on or about Monday, 22 December 2014.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses on the Register of Members.

**Qualifying Shareholders who are CDP Depositors should refer to Appendix IV to this Prospectus for details of the procedures for application for excess Rights Shares.**

### **13. PROCEDURES FOR ACCEPTANCE OR TRANSFER FOR QUALIFYING SHAREHOLDERS WHO ARE CDP DEPOSITORS**

Qualifying Shareholders who are CDP Depositors holding Shares through CDP should receive a letter sent by CDP for and on behalf of the Company relating to the Rights Issue and should refer to that letter and the information set out in Appendix IV to this Prospectus for, *inter alia*, the procedures for application for the Rights Shares. The information in the sections headed “Procedures for Acceptance or Transfer for Qualifying Shareholders who are not CDP Depositors” and “Applications for Excess Rights Shares by Qualifying Shareholders who are not CDP Depositors” in the Letter from the Board of this Prospectus do not relate to applications by Qualifying Shareholders who are CDP Depositors holding Shares through CDP.

### **14. ALLOCATION OF EXCESS RIGHTS SHARES**

Any Rights Shares to which the Excluded Overseas Shareholders would otherwise have been entitled and any Rights Shares arising from the aggregation of fractional entitlements to the Rights Shares which, in each case, are not sold in the manner described in this Prospectus and any Rights Shares provisionally allotted and not accepted by the Latest Acceptance Date will be made available as excess Rights Shares for application by the Qualifying Shareholders. In the case of applications for excess Rights Shares by Qualifying Shareholders who are not CDP Depositors, the Board will allocate the excess Rights Shares at its discretion on a fair and reasonable basis on the following principles:

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## LETTER FROM THE BOARD

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- (i) preference may be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (ii) subject to availability of excess Rights Shares after allocation under principle (i) above, any further remaining excess Rights Shares will be allocated to applicants in proportion to the number of excess Rights Shares being applied for under each application and rounded up to the nearest share.

In relation to an application for excess Rights Shares, where Shares are held by a Registered Nominee, the Board will regard such Registered Nominee as a single Shareholder. Accordingly, the arrangements regarding allocation of excess Rights Shares will not be extended to the Beneficial Owners individually.

### 15. LISTING AND DEALINGS

The Shares are listed on the Hong Kong Stock Exchange as a primary listing and are traded on SGX-ST as a secondary listing. An application has been made to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

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 Hong Kong Stock Exchange and, if applicable, the approval in-principle for the listing of, and quotation for, the Rights Shares in their fully-paid form on the SGX-ST, as well as compliance with the stock admission requirements of HKSCC and the SGX-ST, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC and CDP for deposit, clearance and settlement in CCASS and CDP, respectively, with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Hong Kong Stock Exchange and the SGX-ST or such other dates as determined by HKSCC or the SGX-ST. Settlement of transactions between participants of the Hong Kong Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter, whereas settlement of transactions between participants of the SGX-ST on any trading day is required to take place on the third Market Day following the date of the transactions. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

**It should also be noted that existing Shares have been dealt in on an ex-rights basis on the Hong Kong Stock Exchange and the SGX-ST from Friday, 14 November 2014. Dealings in the Rights Shares in their nil-paid form will commence on the SGX-ST from Wednesday, 26 November 2014 to Tuesday, 2 December 2014, both days inclusive, and on the Hong Kong Stock Exchange from 9:00 a.m. on Wednesday, 26 November 2014 to 4:00 p.m. on Wednesday, 10 December 2014. If the Underwriters terminate the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or are not waived by the**

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## LETTER FROM THE BOARD

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**Underwriters (in respect of certain conditions that may be waived by the Underwriters), the Rights Issue will not proceed. See the section headed “Conditions of the Underwriting Agreement” in the Letter from the Board in this Prospectus. Any Shareholder or other person dealing in the Shares from Friday, 24 October 2014, being the date of the resumption of trading of Shares after publication of the Announcement, up to the latest time at which all conditions to which the Rights Issue is subject are fulfilled or, if applicable, waived by the Underwriters (which is expected to be 4:00 p.m. on Thursday, 18 December 2014), or in the Rights Shares in their nil-paid form on the Hong Kong Stock Exchange and on the SGX-ST during the respective periods as aforesaid, will accordingly bear the risk that the Rights Issue may not become unconditional. Any Shareholder or other person contemplating selling or purchasing existing Shares on an ex-rights basis and/or the Rights Shares in their nil-paid form during these periods who is in doubt about his/her/its position is recommended to consult his/her/its own professional adviser.**

It is expected that dealings in the Rights Shares in their fully-paid form on the Hong Kong Stock Exchange and SGX-ST will commence on Tuesday, 23 December 2014 and Tuesday, 30 December 2014, respectively.

For the purpose of trading on the Hong Kong Stock Exchange, the board lot size of the Rights Shares in their nil-paid form will be 2,000 Rights Shares. For the purpose of trading on the SGX-ST, two counters will be created to facilitate the trading of Rights Shares in their nil-paid form by CDP Depositors. The first counter will be created for the trading of Rights Shares in their nil-paid form in board lots of 2,000 Rights Shares, and the second counter will be created for the trading of Rights Shares in their nil-paid form in board lots of one (1) Rights Share. CDP Depositors may elect to trade their Rights Shares in their nil-paid form at either one of the counters or both counters.

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

**Investors should be aware that nil-paid Rights Shares traded on the SGX-ST may not be traded in, and would not be transferable to, Hong Kong, and vice versa.**

### **16. PERMISSION OF THE BERMUDA MONETARY AUTHORITY**

A general permission under the Exchange Control Act 1972 of Bermuda as amended (and regulations made thereunder) has been granted by the Bermuda Monetary Authority in respect of the issue of the securities of the Company, including the Rights Shares, to persons regarded as non-residents of Bermuda for exchange control purposes subject to the requirement that the Shares are listed on the Hong Kong Stock Exchange.



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## LETTER FROM THE BOARD

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### **17. SHARE CERTIFICATES**

It is expected that certificates for the Rights Shares in their fully-paid form will be despatched by ordinary post to those entitled thereto (in the case of Qualifying Shareholders who are not CDP Depositors) at their own risk by the Hong Kong Branch Registrar, Tricor Abacus Limited, on or about Monday, 22 December 2014.

Shareholders of Shares traded on the SGX-ST who have accepted and, where applicable, successfully applied for excess Rights Shares, and paid for Rights Shares can expect to have their CDP securities accounts credited with the Rights Shares on or about Tuesday, 30 December 2014.

### **18. TAXATION**

Qualifying Shareholders are recommended to consult their professional adviser if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in, the nil-paid or fully-paid Rights Shares and, as regards the Excluded Overseas Shareholders, their receipt of the net proceeds of sale of the nil-paid Rights Shares otherwise falling to be provisionally allotted to them under the Rights Issue. It is emphasised that none of the Company, its Directors and any other parties involved in the Rights Issue accepts responsibility for any tax effects or liability of any Shareholder or transferee of nil-paid Rights Shares resulting from the purchase, holding or disposal of, or dealing in, the nil-paid or fully-paid Rights Shares. All the documents, including share certificates and cheques for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses on the Register of Members or the CDP Register (as the case may be).

### **19. ADJUSTMENTS TO THE SUBSCRIPTION PRICE OF THE SHARE OPTIONS AND/OR THE NUMBER OF SHARES TO BE SUBSCRIBED FOR UNDER THE SHARE OPTIONS**

Pursuant to the respective provisions of the Share Option Schemes, the issuance of the Rights Shares is an event which may cause an adjustment to the subscription prices and/or the number of Shares to be issued under the outstanding Share Options. The Company will notify holders of the Share Options of the adjustment (if any) in accordance with the respective provisions of the Share Option Schemes.

### **20. IMPLICATIONS UNDER THE LISTING RULES**

Each of Baylite and Trendfield is a wholly owned subsidiary of KSL and Kuok Brothers, respectively. Under the Listing Rules, each of them is regarded as a connected person of the Company. The terms of the Underwriting Agreement (including the terms of payment of the underwriting commission) constitute a connected transaction under Chapter 14A of the Listing Rules. The subscription for the Rights Shares by the Underwriters pursuant to the terms of the Underwriting Agreement is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.92(2)(b) of the Listing Rules. In

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## LETTER FROM THE BOARD

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respect of the payment of the underwriting commission by the Company to the Underwriters pursuant to the terms of the Underwriting Agreement, as one or more of the applicable percentage ratios exceeds 0.1% but is less than 5%, the payment of the underwriting commission by the Company is subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Rights Issue will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

### **21. GENERAL**

Your attention is drawn to the further information set out in the Appendices to this Prospectus.

Yours faithfully,  
On behalf of the Board of  
**Shangri-La Asia Limited**  
**KUOK Khoon Chen**  
*Chairman*

**1. FINANCIAL INFORMATION**

Financial information of the Group for each of the three years ended 31 December 2011, 2012 and 2013 is disclosed on (i) pages 63 to 161 of the annual report of the Company for the year ended 31 December 2011; (ii) pages 83 to 184 of the annual report of the Company for the year ended 31 December 2012; and (iii) pages 75 to 192 of the annual report of the Company for the year ended 31 December 2013, which is published on both the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.ir.shangri-la.com](http://www.ir.shangri-la.com)). PricewaterhouseCoopers has not issued any qualified opinion of the Group's financial statements for the three years ended 31 December 2011, 2012 and 2013.

Financial information of the Group for the six months ended 30 June 2014 is disclosed on pages 4 to 33 of the interim report of the Company for the six months ended 30 June 2014, which is published on both the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.ir.shangri-la.com](http://www.ir.shangri-la.com)).

**2. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, save as otherwise disclosed in the interim report of the Company for the six months ended 30 June 2014, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest published audited consolidated financial statements of the Group were made up.

**3. INDEBTEDNESS**

As at the close of business on 30 September 2014, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

	<i>US\$'000</i>
Unsecured bank loans	
- guaranteed by the Company	3,730,669
- proportionate guarantees provided by the Company	170,881
- guaranteed by a non-wholly owned subsidiary	42,822
- unguaranteed	<u>50,040</u>
	3,994,412
Secured bank loans	
- guaranteed by the Company	177,273
- proportionate guarantees provided by the Company	15,000
- unguaranteed	<u>96,684</u>
	288,957
Convertible bonds – guaranteed by the Company	521,671
Fixed rate bonds – guaranteed by the Company	597,544
Loans from non-controlling interests (including equity loans) – unsecured	<u>168,790</u>
	<u><u>5,571,374</u></u>

### **3.1 Financial guarantees**

As at 30 September 2014, the Group executed proportionate guarantees in favour of banks for securing banking facilities granted to certain associates. The Group also provided suretyship in favour of an associate in relation to the payment obligations under its banking facility which in return provided counter guarantee to the Company such that any amounts paid by the Company under the suretyship agreement should be proportionate to its respective shareholding in the associate. The utilised amount of such facilities covered by the Group's guarantees for these associates amounted to US\$412,111,000. The Board is of the opinion that it is not probable that such guarantees will be called upon.

### **3.2 Contingent liabilities**

As at 30 September 2014, the Group executed guarantees for securing standby documentary credit granted by banks in favour of certain building contractors relating to the execution of construction works for a hotel building with the amount of US\$9,752,000. The Group also executed a bank guarantee of US\$2,945,000 in favour of the government authorities for the purpose of value-added tax refund and a bank guarantee of US\$387,000 in favour of a business partner relating to a marketing sponsorship program. These facilities were undrawn as at 30 September 2014.

### **3.3 Other charges**

As at 30 September 2014, bank borrowings of certain subsidiaries amounting to US\$288,957,000 are secured by:

- (i) land use rights and all immovable assets owned by a subsidiary with a net book value of US\$129,463,000 together with a pledge of all the equity shares of the subsidiary; and
- (ii) legal mortgage over the property owned by five subsidiaries with an aggregate net book value of US\$587,042,000.

Save as disclosed herein and apart from intra-group liabilities account, other balances with non-controlling interests, normal accounts payable and accruals, current income and deferred income tax liabilities and derivative financial instruments, as at the close of business on 30 September 2014, the Group did not have any outstanding loan capital, bank overdrafts and liabilities under acceptance or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits or hire purchase commitments, material guarantees or other material contingent liabilities.

## **4. WORKING CAPITAL**

Taking into account the financial resources available to the Group, including the internally generated funds, the available banking facilities and the estimated net proceeds of the Rights Issue, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus, in the absence of unforeseeable circumstances.

5. SHARE CAPITAL

5.1 Share capital

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following the completion of the Rights Issue (assuming none of the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds is exercised on or before the Record Date) was or will be as follows:

<i>Number of Shares</i>		<i>Nominal value in HK\$</i>
<u>5,000,000,000</u>	Authorised Shares of HK\$1.00 each	<u>5,000,000,000</u>
<i>Issued, to be issued and fully-paid:</i>		
3,132,494,799	Shares in issue as at the Latest Practicable Date	3,132,494,799
447,499,257	Rights Shares to be allotted and issued pursuant to the Rights Issue (based on Shares in issue as at the Latest Practicable Date) <sup>Note</sup>	447,499,257
<u>3,579,994,056</u>	Shares in issue immediately after completion of the Rights Issue (based on Shares in issue as at the Latest Practicable Date) <sup>Note</sup>	<u>3,579,994,056</u>

*Note:* If all of the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds are exercised and Shares are allotted and issued pursuant to such exercises on or before the Record Date, the maximum number of issued Shares will be increased to 3,296,529,262 Shares and the maximum number of Rights Shares which may be issued pursuant to the Rights Issue will be increased to 470,932,751 Rights Shares. The maximum number of Shares in issue after completion of the Rights Issue will be 3,767,462,013.

All the issued Shares rank *pari passu* in all respects as regards dividends, voting rights and return of capital. The Rights Shares, when fully-paid and allotted, will rank *pari passu* in all respects with the Shares then in issue, including the right to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

Save as disclosed in this Prospectus, no part of the share capital of the Company has been listed or dealt in on any stock exchange other than the Hong Kong Stock Exchange and SGX-ST and no application is being made or is currently proposed for the Shares to be listed or dealt in on any other stock exchange.

5.2 Share Options

The following share options were granted by the Company under the Share Option Scheme adopted by the Company on 24 May 2002 and remaining outstanding as at the Latest Practicable Date:

Grantee	Date of grant	Number of underlying Shares	Exercise price per underlying Share (HK\$)	Exercise period
1. Directors	28 Apr 2005	75,000	11.60	28 Apr 2006 – 27 Apr 2015
	28 Apr 2005	375,000	11.60	28 Apr 2007 – 27 Apr 2015
	16 Jun 2006	117,500	14.60	16 Jun 2007 – 15 Jun 2016
	16 Jun 2006	177,500	14.60	16 Jun 2008 – 15 Jun 2016
2. Employees	28 Apr 2005	50,000	11.60	28 Apr 2006 – 31 Dec 2014
	28 Apr 2005	1,040,000	11.60	28 Apr 2006 – 27 Apr 2015
	28 Apr 2005	50,000	11.60	28 Apr 2007 – 31 Dec 2014
	28 Apr 2005	1,275,000	11.60	28 Apr 2007 – 27 Apr 2015
	16 Jun 2006	20,000	14.60	16 Jun 2007 – 31 Dec 2014
	16 Jun 2006	732,500	14.60	16 Jun 2007 – 15 Jun 2016
	16 Jun 2006	20,000	14.60	16 Jun 2008 – 31 Dec 2014
	16 Jun 2006	811,500	14.60	16 Jun 2008 – 15 Jun 2016
3. Other participants	28 Apr 2005	50,000	11.60	28 Apr 2006 – 31 Dec 2014
	28 Apr 2005	25,000	11.60	28 Apr 2006 – 14 Jan 2015
	28 Apr 2005	715,000	11.60	28 Apr 2006 – 27 Apr 2015
	28 Apr 2005	50,000	11.60	28 Apr 2007 – 31 Dec 2014
	28 Apr 2005	25,000	11.60	28 Apr 2007 – 14 Jan 2015
	28 Apr 2005	715,000	11.60	28 Apr 2007 – 27 Apr 2015
	16 Jun 2006	20,000	14.60	16 Jun 2007 – 31 Dec 2014
	16 Jun 2006	10,000	14.60	16 Jun 2007 – 14 Jan 2015
	16 Jun 2006	486,500	14.60	16 Jun 2007 – 15 Jun 2016
	16 Jun 2006	20,000	14.60	16 Jun 2008 – 31 Dec 2014
	16 Jun 2006	10,000	14.60	16 Jun 2008 – 14 Jan 2015
	16 Jun 2006	700,000	14.60	16 Jun 2008 – 15 Jun 2016
	<b>Total</b>		<u>7,570,500</u>	

## APPENDIX I FINANCIAL AND OTHER INFORMATION REGARDING THE GROUP

The following share options were granted by the Company under the Share Option Scheme adopted by the Company on 28 May 2012 and remaining outstanding as at the Latest Practicable Date:

Grantee	Date of grant	Number of underlying Shares	Exercise price per underlying Share (HK\$)	Exercise period
1. Directors	23 Aug 2013	1,900,000	12.11	23 Aug 2013 – 22 Aug 2023
2. Employees	23 Aug 2013	350,000	12.11	23 Aug 2013 – 31 Dec 2014
	23 Aug 2013	14,513,000	12.11	23 Aug 2013 – 22 Aug 2023
3. Other participants	23 Aug 2013	200,000	12.11	23 Aug 2013 – 31 Dec 2014
	23 Aug 2013	80,000	12.11	23 Aug 2013 – 14 Jan 2015
	23 Aug 2013	<u>770,000</u>	12.11	23 Aug 2013 – 22 Aug 2023
<b>Total</b>		<u><u>17,813,000</u></u>		

### 5.3 Convertible Bonds

As at the Latest Practicable Date, there were outstanding Convertible Bonds entitling the holders to convert into 138,650,963 Shares. Each holder of such outstanding Convertible Bonds has the right to convert his/her/its Convertible Bonds into Shares at the price of HK\$28.02 per Share (subject to adjustments) at any time up to the close of business on the business day immediately prior to 2 May 2016 (or if such Convertible Bonds shall have been called for redemption before 12 May 2016, then up to the close of business on a date no later than seven business days prior to the date fixed for redemption thereof). Holders of such outstanding Convertible Bonds should refer to the terms and conditions in relation to the Convertible Bonds for the procedures for converting the Convertible Bonds into Shares.

Save for the Share Options and the Convertible Bonds disclosed in this Prospectus, there were no other securities of the Company which confer any right to subscribe for, or convert or exchange into, Shares as at the Latest Practicable Date.

**APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

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

**(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company and related notes (“Unaudited Pro Forma Financial Information”), which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 30 June 2014. This Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2014 or at any future date.

Unaudited consolidated net tangible assets of the Group attributable to the Company's equity holders as at 30 June 2014	Subsequent Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Company's equity holders as at the Latest Practicable Date	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Company's equity holders after completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the Company's equity holders after completion of the Rights Issue
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$
(Note 1)	(Note 2)		(Note 3)		(Notes 4 and 5)
6,166,099	45	6,166,144	637,032	6,803,176	1.90

Based on 447,499,257 Rights Shares (Note 3) to be issued at subscription price of HK\$11.10 per Rights Share



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## APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

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*Notes:*

- (1) The consolidated net tangible assets of the Group attributable to the Company's equity holders as at 30 June 2014 is based on the unaudited consolidated net assets of the Group attributable to the Company's equity holders as at 30 June 2014 of approximately US\$6,258,563,000, with an adjustment for the intangible assets of approximately US\$92,464,000, as extracted from the published interim report of the Company for the six months ended 30 June 2014.
- (2) The adjustment represents net proceeds of approximately US\$45,000 from the issue of 30,000 new Shares to holders of Share Options who have exercised their rights to subscribe for Shares subsequent to 30 June 2014 and up to the Latest Practicable Date.
- (3) The estimated net proceeds from the Rights Issue which are based on 447,499,257 Rights Shares to be issued (in the proportion of one (1) Rights Share for every seven (7) Shares held as at the Latest Practicable Date) at the subscription price of HK\$11.10 per Rights Share and after deduction of the estimated related expenses of approximately HK\$30.2 million and take no account of any additional Rights Shares to be issued as a result of the exercise of the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds subsequent to the Latest Practicable Date.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in Notes 2 and 3 above and on the basis that 3,579,994,056 Shares were in issue assuming the Rights Issue has been completed on the Latest Practicable Date but takes no account of any further Shares which may have been issued as a result of the exercise of the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the outstanding Convertible Bonds subsequent to the Latest Practicable Date.
- (5) Other than those mentioned in Note 2 above, no adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2014, including but not limited to the 2014 interim dividend of approximately US\$24,170,000 declared by the Company for the six months ended 30 June 2014.

**(B) REPORT FROM THE REPORTING ACCOUNTANT ON THE UNAUDITED PRO  
FORMA FINANCIAL INFORMATION OF THE GROUP**

*The following is the text of a report received from the reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this Prospectus, in respect of the unaudited pro forma financial information of the Group.*



羅兵咸永道

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

**TO THE DIRECTORS OF SHANGRI-LA ASIA LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Shangri-La Asia Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2014, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 38 and 39 of the Company's prospectus dated 24 November 2014 (the "Prospectus"), in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described on pages 38 and 39 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue on the Group's financial position as at 30 June 2014 as if the proposed rights issue had taken place at 30 June 2014. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's financial information for the six months ended 30 June 2014, on which a review report has been published.

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

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

**Reporting Accountant's Responsibilities**

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

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

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

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

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

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

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

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

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

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**PricewaterhouseCoopers**  
*Certified Public Accountants*  
Hong Kong

24 November 2014

**1. RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

**2. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT**

<b>Name</b>	<b>Address</b>
<i>Executive Directors</i>	
Mr KUOK Khoon Chen	28th Floor, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong
Mr LUI Man Shing	28th Floor, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong
Mr Madhu Rama Chandra RAO	28th Floor, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong
Mr Gregory Allan DOGAN	28th Floor, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong
<i>Non-executive Directors</i>	
Mr HO Kian Guan	2902 West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong
Ms KUOK Hui Kwong	28th Floor, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong
Mr HO Kian Hock (alternate to Mr HO Kian Guan)	2902 West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong
<b>Independent non-executive Directors</b>	
Mr Alexander Reid HAMILTON	Flat 5B, Broadview Terrace, 40 Cloudview Road, Hong Kong
Mr Timothy David DATTELS	57th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Mr WONG Kai Man	33rd Floor, Alexandra House, Central, Hong Kong
Professor LI Kwok Cheung Arthur	2502 Bank of East Asia, Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong

**Executive Directors**

**KUOK Khoon Chen**, aged 60, Malaysian – Mr KUOK was appointed as the Chairman and the Chief Executive Officer in August 2013. Mr KUOK was an Executive Director and the Chairman from September 1997 to October 2000. He is also a director of a number of companies within the Group. Mr KUOK is an executive director of China World Trade Center Company Limited (an associate of the Company, listed on the Shanghai Stock Exchange) and a non-executive director of Wilmar International Limited (listed on the SGX-ST). He served as the chairman of Kerry Properties Limited (listed on the Hong Kong Stock Exchange) from June 2008 to August 2013. Mr KUOK is the deputy chairman and managing director of KGL, the chairman and managing director of KHL and the chairman of Paruni Limited (a substantial shareholder of the Company) and is deemed as interested in more than 5% of the share capital of KGL within the meaning of Part XV of the SFO. He is also (a) the chairman of and deemed as interested in more than 5% of the share capital of Kuok Brothers; and (b) deemed as interested in less than 5% of the share capital of KSL (both shareholders of the Company with interest of less than 10% but discloseable under Part XV of the SFO). He holds a Bachelor's degree in Economics from Monash University, Australia. Mr KUOK is the chairman of the Nomination Committee and the Executive Committee, and a member of the Remuneration Committee. He is the brother of Ms KUOK Hui Kwong, a Non-executive Director, and Ms TEO Ching Leun, the company secretary of the Company, is his cousin.

**LUI Man Shing**, aged 70, Chinese – Mr LUI was appointed as an Executive Director in March 2002 and was elected as the Deputy Chairman in March 2007. He is also a director of a number of companies within the Group. Mr LUI is the vice chairman of Shangri-La Hotel Public Company Limited (a subsidiary of the Company, listed on the stock exchange of Thailand). He is also (a) a director of KHL and interested in less than 5% of the share capital of KGL; and (b) interested in less than 5% of the share capital of KSL (a shareholder of the Company with interest of less than 10% but discloseable under Part XV of the SFO). Mr LUI is also a member of the Executive Committee.

**Madhu Rama Chandra RAO**, aged 62, Indian – Mr RAO was appointed as an Executive Director in December 2008. He joined Shangri-La International Hotel Management Limited (a subsidiary of the Company) in May 1988 as group financial controller and was appointed as the Chief Financial Officer of the Company in 1997. Mr RAO is also the vice chairman of Shangri-La International Hotel Management Limited and a director of a number of companies within the Group. Mr RAO is interested in less than 5% of the share capital of KGL. He was previously with a leading chartered accountancy practice in Mumbai, India for 17 years, including 12 years as partner. Mr RAO graduated from the University of Mumbai and is a fellow member of the Institute of Chartered Accountants of India. He is also a member of the Nomination Committee and the Executive Committee.

**Gregory Allan DOGAN**, aged 50, British – Mr DOGAN was appointed as an Executive Director in May 2010. He joined the Group in 1997 and is the Chief Operating Officer as well as the president and chief executive officer of Shangri-La International Hotel Management Limited. He is also a director of a number of companies within the Group. Mr DOGAN is interested in less than 5% of the share capital of KGL. Prior to joining the Group, Mr DOGAN held managerial positions at luxury hotels in Spain, Dubai and China.

**Non-executive Directors**

**HO Kian Guan**, aged 69, Singaporean – Mr HO was appointed as a Non-executive Director in May 1993. He is the executive chairman of Keck Seng (Malaysia) Berhad (listed on the stock exchange of Malaysia) and Keck Seng Investments (Hong Kong) Limited (listed on the Hong Kong Stock Exchange). He is the brother of Mr HO Kian Hock, his alternate.

**KUOK Hui Kwong**, aged 37, Malaysian – Ms KUOK was appointed as a Non-executive Director in October 2014. Ms KUOK is also a director of a subsidiary of the Group. Ms KUOK is an executive director of SCMP Group Limited (listed on the Hong Kong Stock Exchange) and a director of The Post Publishing Public Company Limited (listed on the stock exchange of Thailand). She also served as the managing director and chief executive officer of SCMP Group Limited from January 2009 to June 2012. Ms KUOK is a director of KHL and a governor of Kerry Group Kuok Foundation (Hong Kong) Limited, a charitable organization. She is deemed as interested in more than 5% of the share capital of KGL within the meaning of Part XV of the SFO. She is also interested in less than 5% of the share capital of both Kuok Brothers and KSL. Ms KUOK received her undergraduate degree from Harvard University, USA. She is the sister of Mr KUOK Khoon Chen, the Chairman of the Board, and Ms TEO Ching Leun, the company secretary of the Company, is her cousin.

**HO Kian Hock**, aged 67, Singaporean – Mr HO was appointed as an alternate Director to Mr HO Kian Guan in November 2004. He is the deputy executive chairman of Keck Seng Investments (Hong Kong) Limited (listed on the Hong Kong Stock Exchange) and the managing director of Keck Seng (Malaysia) Berhad (listed on the stock exchange of Malaysia). He is the brother of Mr HO Kian Guan, a Non-executive Director.

**Independent Non-executive Directors**

**Alexander Reid HAMILTON**, aged 73, British – Mr HAMILTON was appointed as an Independent Non-executive Director in November 2001. He is an independent non-executive director of a number of listed companies including CITIC Limited, Esprit Holdings Limited and COSCO International Holdings Limited (all listed on the Hong Kong Stock Exchange), and JP Morgan China Region Fund Inc (a USA registered closed end fund quoted on the New York Stock Exchange). He is a member of the Institute of Chartered Accountants of Scotland, a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Institute of Directors. He was a partner in Price Waterhouse for 16 years and has more than 20 years of audit and accounting experience. Mr HAMILTON is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee.

**Timothy David DATTELS**, aged 57, American – Mr DATTELS was appointed as an Independent Non-executive Director in February 2004. He is currently a senior partner of TPG Capital, LP, based in San Francisco with a focus on Asian investing. Mr DATTELS also serves as a director of Blackberry (listed on Toronto Stock Exchange and NASDAQ). He served as a partner and managing director of Goldman Sachs where he was head of investment banking for all Asian countries outside of Japan from 1996 to 2000 and he advised several of Asia's leading entrepreneurs and governments. Mr DATTELS holds a BA (Hons) from The University of Western Ontario and an MBA from Harvard Business School.

**WONG Kai Man**, aged 64, Chinese – Mr WONG was appointed as an Independent Non-executive Director in July 2006. He is also an independent non-executive director of SUNeVision Holdings Limited (listed on the Growth Enterprise Market of Hong Kong Stock Exchange), and SCMP Group Limited and VTech Holdings Limited (both listed on the Hong Kong Stock Exchange). Mr WONG served as an independent non-executive director of China Construction Bank Corporation (listed on the Hong Kong Stock Exchange) until December 2013. Mr WONG is a non-executive director of SFC and was also a member of the Growth Enterprise Market Listing Committee of Hong Kong Stock Exchange from 1999 to 2003. He is an accountant with 32 years of audit, initial public offering and computer audit experience. He retired as an audit partner from PricewaterhouseCoopers, Hong Kong in June 2005. He obtained a Bachelor of Science degree in Physics from The University of Hong Kong and an MBA from The Chinese University of Hong Kong. Mr WONG is the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

**LI Kwok Cheung Arthur**, aged 69, Chinese – Professor LI was appointed as an Independent Non-executive Director in March 2011. He is currently Emeritus Professor of Surgery, The Chinese University of Hong Kong. Professor LI is also a non-executive deputy chairman of The Bank of East Asia, Limited (listed on the Hong Kong Stock Exchange), a non-executive director of AFFIN Holdings Berhad (listed on the stock exchange of Malaysia) and BioDiem Limited (a company delisted from the Australia stock exchange in November 2013), and an independent non-executive director of Nature Home Holding Company Limited (listed on the Hong Kong Stock Exchange). He served as an independent non-executive director of The Wharf (Holdings) Limited (listed on the Hong Kong Stock Exchange) until August 2013. He is also the chairman of Digital Broadcasting Corporation Hong Kong Limited, a member of the National Committee of the Chinese People's Political Consultative Conference and the Executive Council of the Hong Kong Special Administrative Region. Professor LI obtained his medical degree from the University of Cambridge in 1969 and assumed various senior roles in the medical profession of the academia. He was Foundation Professor and Chairman of Department of Surgery of The Chinese University of Hong Kong, and was Dean of Faculty of Medicine from 1992 to 1996. From 1996 to 2002, Professor LI was the Vice-Chancellor (President) of the University. In 2002, Professor LI became Secretary for Education and Manpower and his term ended in June 2007. Professor LI is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

#### **Company Secretary**

**TEO Ching Leun**, aged 53, Singaporean – Ms TEO was appointed as the Company Secretary of the Company in March 2008. She is also a director of a number of companies within the Group. Ms TEO holds an LLB (Hons) degree from the National University of Singapore and an LLM degree in Laws from the University of London. She is a solicitor qualified in Hong Kong and has been admitted as a solicitor of the Supreme Court of England and Wales and as an advocate and solicitor of the Supreme Court of Singapore. Ms TEO is the cousin of Mr KUOK Khoon Chen, the Chairman, and Ms KUOK Hui Kwong, a Non-executive Director.



**Senior Management**

**Darren GEARING**, aged 49, British, Executive Vice President

Mr GEARING joined the Group in 1990 and is the General Manager of Shangri-La Hotel, At The Shard, London. His portfolio includes Europe, North America, India and the Middle East. Prior to his current role, he was Vice President and General Manager at Island Shangri-La, Hong Kong, overseeing Hong Kong, Beijing and Inner Mongolia.

**Wolfgang KRUEGER**, aged 50, German, Executive Vice President

Mr KRUEGER joined the Group in 2001 and is in charge of overseeing the operations of the Shangri-La hotels in Hong Kong, Taiwan, Japan and Southern China, covering Guangzhou and Shenzhen, along with Aberdeen Marina Club in Hong Kong. He was previously Vice President and General Manager of Island Shangri-La, Hong Kong. During his tenure with the Group, Mr KRUEGER has managed major Shangri-La hotels in gateway cities like Tokyo, Taipei and Manila. He has more than 20 years of hospitality experience and his previous management experience includes posts in the United Kingdom, Turkey, Germany, the United States of America and several countries in Asia.

**Christopher LIU**, aged 46, Malaysian, Executive Vice President – Projects

Mr LIU has worked nearly 6 years for the Group before he rejoined the Group as Executive Vice President – Projects in 2013. Mr LIU spearheads the Group's development division and oversees the new hotel constructions and renovation projects. Currently, he is also a director and/or the General Manager of various subsidiaries or associates of the Group. Mr LIU is a qualified architect and holds a Bachelor of Architecture degree from Cornell University, New York.

**Jean-Michel OFFE**, aged 58, French, Executive Vice President – Development and Innovation

Mr OFFE has worked nearly 20 years for the Group. He rejoined the Group as Executive Vice President – Development and Innovation in 2013. He is in charge of the execution and implementation of all the new hotel concepts and visionary designs. With more than 30 years of luxury hotel experience, Mr OFFE held various senior management positions at Hong Kong corporate office and the Group's flagship hotels in Bangkok and Singapore.

**PAW Chuen Kee**, aged 57, Singaporean, Executive Vice President

Mr PAW joined the Group in 1994 and is in charge of a portfolio of hotels in Mainland China. He was previously the Vice President in charge of a cluster of hotels and General Manager of Shangri-La Hotel, Guangzhou, Vice President – Sales & Marketing of various hotels of the Group in Beijing and Shanghai and north east China, and General Manager of Golden Flower Hotel, Xian and Traders Hotel, Beijing. Mr PAW has more than 25 years of hospitality experience and held management posts in China, the United States of America and his native Singapore.

**Cetin SEKERCIOGLU**, aged 54, Turkish, Executive Vice President

Mr SEKERCIOGLU joined the Group in 1994. He is a director of a number of companies within the Group. Mr SEKERCIOGLU is currently leading the Shangri-La hotels and resorts in South East Asia. Previously, he was responsible for the Shanghai corporate hub and was in charge of hotels in South and East China, and Taiwan. He also held senior executive positions in Hong Kong, Singapore, Shanghai and Thailand and was the General Manager in various hotels of the Group. His previous hospitality management experience includes posts in Turkey, the United States of America, France, England, Switzerland and Italy.

**Lothar NESSMANN**, aged 54, German, Chief Operating Officer – Hotel Jen

Mr NESSMANN has worked nearly 20 years for the Group. He was appointed the Chief Operating Officer – Hotel Jen in 2014. Mr NESSMANN is responsible for overseeing the Hotel Jen's and the Traders' portfolio, which includes hotels in Asia Pacific and Middle East regions, along with properties in the development pipeline. Prior to his current position, he was Vice President and General Manager of Shangri-La Hotel, Kuala Lumpur. During his tenure, he has held management positions at Shangri-La hotels throughout Asia. With nearly 30 years of luxury hotel experience, he has also held posts in China, the Middle East and the United Kingdom.

**Kent ZHU**, aged 51, Singaporean, Chief Marketing Officer

Mr ZHU joined the Group in 1989 and has served as Director of Sales and Marketing in several leading hotels in the Group. He is a director of a number of companies within the Group. Prior to his current role leading Shangri-La's corporate marketing division, he was Vice President – China as well as Vice President – Sales and Marketing for the China hotels of the Group.

**3. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**

<b>Registered office</b>	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
<b>Head office and principal place of business in Hong Kong</b>	28th Floor Kerry Centre 683 King's Road Quarry Bay Hong Kong
<b>Authorised representatives in Hong Kong</b>	Mr KUOK Khoon Chen Mr Madhu Rama Chandra RAO Ms TEO Ching Leun (alternate to Mr KUOK Khoon Chen) Ms KWOK Oi Kuen Joan Elmond (alternate to Mr Madhu Rama Chandra RAO)
<b>Company Secretary</b>	Ms TEO Ching Leun
<b>Underwriters of the Rights Issue</b>	Each of the Underwriters is a member of the Kuok Group:  Baylite Company Limited Level 1, Palm Grove House Wickham's Cay 1 Road Town, Tortola British Virgin Islands  Trendfield Inc. P.O. Box 3151 Road Town, Tortola British Virgin Islands
<b>Legal advisers to the Company</b>	<i>As to Bermuda law:</i> Appleby Room 2206-19 Jardine House One Connaught Place Central Hong Kong

	<i>As to Hong Kong law:</i> Clifford Chance 27th Floor Jardine House One Connaught Place Central Hong Kong
	<i>As to Singapore law:</i> Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
<b>Auditors and reporting accountant</b>	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22nd Floor Prince's Building Central Hong Kong
<b>Principal share registrar in Bermuda</b>	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM 08 Bermuda
<b>Hong Kong branch share registrar</b>	Tricor Abacus Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong
<b>Principal banker</b>	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong

#### 4. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

##### 4.1 Long positions in the Shares and the shares in associated corporations of the Company

Name of company	Name of Director	Class of shares	Personal interests	Number of shares held			Total	Approximate% of total issued share capital of the relevant company
				Family interests	Corporate interests	Other interests		
The Company	KUOK Khoon Chen	Ordinary	-	-	1,706,421 (Note 1)	256,037 (Note 2)	1,962,458	0.063
	LUI Man Shing	Ordinary	902,777	-	-	-	902,777	0.029
	Madhu Rama Chandra RAO	Ordinary	33,278	-	-	-	33,278	0.001
	Gregory Allan DOGAN	Ordinary	28,166	-	-	-	28,166	0.001
	HO Kian Guan	Ordinary	735,977	-	127,651,755 (Note 3)	-	128,387,732	4.099
	KUOK Hui Kwong	Ordinary	32,833 (Note 4)	908,250 (Note 5)	-	2,957,649 (Note 2)	3,898,732	0.124
	HO Kian Hock (alternate to HO Kian Guan)	Ordinary	-	-	127,651,755 (Note 3)	-	127,651,755	4.075
Associated corporation								
Shangri-La Hotel Public Company Limited	LUI Man Shing	Ordinary	10,000	-	-	-	10,000	0.008

*Notes:*

1. 1,463,651 shares were held through a company which was wholly owned by Mr KUOK Khoon Chen.

242,770 shares were held through companies in which Mr KUOK Khoon Chen was entitled to exercise or control the exercise of one-third or more of voting power at their respective general meetings.

2. These shares were held through discretionary trusts.

256,037 shares were held through discretionary trusts the contingent beneficiaries of which include Mr KUOK Khoon Chen and Ms KUOK Hui Kwong.

3. 83,595,206 shares were held through companies which were owned as to 50% by each of Mr HO Kian Guan and Mr HO Kian Hock.
- 5,014,445 shares were held through a company which was owned as to 25% by each of Mr HO Kian Guan and Mr HO Kian Hock.
- 4,683,540 shares were held through a company which was owned as to 13.33% and 7.08% by Mr HO Kian Guan and Mr HO Kian Hock, respectively.
- 34,358,564 shares were held through companies which were owned as to 6.75% and 6.93% by Mr HO Kian Guan and Mr HO Kian Hock, respectively.
4. 32,000 shares were held jointly by Ms KUOK Hui Kwong and her spouse.
5. These shares were deemed as interested by the spouse of Ms KUOK Hui Kwong.

#### 4.2 Long positions in underlying Shares

The following share options were granted by the Company under the Share Option Scheme adopted by the Company on 24 May 2002 and remaining outstanding as at the Latest Practicable Date:

Director	Date of grant	Number of underlying Shares	Exercise price per underlying share (HK\$)	Exercise period
LUI Man Shing	16 Jun 2006	60,000	14.60	16 Jun 2008 – 15 Jun 2016
Madhu Rama Chandra RAO	28 Apr 2005	250,000	11.60	28 Apr 2007 – 27 Apr 2015
	16 Jun 2006	50,000	14.60	16 Jun 2007 – 15 Jun 2016
	16 Jun 2006	50,000	14.60	16 Jun 2008 – 15 Jun 2016
Gregory Allan DOGAN	28 Apr 2005	50,000	11.60	28 Apr 2007 – 27 Apr 2015
	16 Jun 2006	37,500	14.60	16 Jun 2007 – 15 Jun 2016
	16 Jun 2006	37,500	14.60	16 Jun 2008 – 15 Jun 2016
Timothy David DATTELS	28 Apr 2005	75,000	11.60	28 Apr 2006 – 27 Apr 2015
	28 Apr 2005	75,000	11.60	28 Apr 2007 – 27 Apr 2015
	16 Jun 2006	30,000	14.60	16 Jun 2007 – 15 Jun 2016
	16 Jun 2006	30,000	14.60	16 Jun 2008 – 15 Jun 2016
<b>Total</b>		<b>745,000</b>		

The following share options were granted by the Company under the Share Option Scheme adopted by the Company on 28 May 2012 and remaining outstanding as at the Latest Practicable Date:

Director	Date of grant	Number of underlying Shares	Exercise price per underlying share (HK\$)	Exercise period
KUOK Khoon Chen	23 Aug 2013	350,000	12.11	23 Aug 2013 – 22 Aug 2023
LUI Man Shing	23 Aug 2013	350,000	12.11	23 Aug 2013 – 22 Aug 2023
Madhu Rama Chandra RAO	23 Aug 2013	350,000	12.11	23 Aug 2013 – 22 Aug 2023
Gregory Allan DOGAN	23 Aug 2013	350,000	12.11	23 Aug 2013 – 22 Aug 2023
HO Kian Guan	23 Aug 2013	100,000	12.11	23 Aug 2013 – 22 Aug 2023
Alexander Reid HAMILTON	23 Aug 2013	100,000	12.11	23 Aug 2013 – 22 Aug 2023
Timothy David DATTELS	23 Aug 2013	100,000	12.11	23 Aug 2013 – 22 Aug 2023
WONG Kai Man	23 Aug 2013	100,000	12.11	23 Aug 2013 – 22 Aug 2023
LI Kwok Cheung Arthur	23 Aug 2013	<u>100,000</u>	12.11	23 Aug 2013 – 22 Aug 2023
<b>Total</b>		<u><u>1,900,000</u></u>		

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they would be taken or deemed to have under such provisions of the SFO); (ii) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## 5. DISCLOSURE OF SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as the Directors or chief executive of the Company were aware or could ascertain after reasonable enquiry, the following persons, not being a Director or chief executive of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO (“**Register**”) or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any options in respect of such capital:

### 5.1 Long positions in the Shares

Name	Capacity	Number of Shares held and assumed to be held (assuming the Underwriters are required to take up and subscribe for all the Rights Shares other than those undertaken under the Irrevocable Undertaking)	Percentage of total issued share capital as at the completion of the Rights Issue as enlarged by the issue of the Rights Shares (assuming all outstanding Share Options and Convertible Bonds are fully exercised/converted and Shares allotted therefor by the Record Date)
<b>Substantial Shareholders</b>			
KGL (Note 1)	Interest of controlled corporations	1,538,200,110	40.83
	Undertaken Shares (Note 5)	214,669,593	5.70
KHL (Notes 1 and 2)	Beneficial owner	76,332,421	2.03
	Interest of controlled corporations	1,354,279,851	35.94
	Undertaken Shares (Note 5)	200,380,309	5.32
Caninco Investments Limited (Note 2)	Beneficial owner	497,497,599	13.20
	Interest of controlled corporation	137,620,204	3.65
	Undertaken Shares (Note 5)	90,731,114	2.41
Paruni Limited (Note 2)	Beneficial owner	335,041,480	8.89
	Interest of controlled corporation	22,018,019	0.58
	Undertaken Shares (Note 5)	51,008,499	1.35



Name	Capacity	Number of Shares held and assumed to be held (assuming the Underwriters are required to take up and subscribe for all the Rights Shares other than those undertaken under the Irrevocable Undertaking)	Percentage of total issued share capital as at the completion of the Rights Issue as enlarged by the issue of the Rights Shares (assuming all outstanding Share Options and Convertible Bonds are fully exercised/converted and Shares allotted therefor by the Record Date)
<b>Person other than Substantial Shareholders</b>			
Darmex Holdings Limited ( <i>Note 2</i> )	Beneficial owner	233,684,562	6.20
	Undertaken Shares ( <i>Note 5</i> )	33,383,508	0.89
Kuok Brothers ( <i>Note 3</i> )	Beneficial owner	73,886,095	1.96
	Interest of controlled corporations	144,135,415	3.83
	Other interest ( <i>Note 6</i> )	163,881,868	4.35
Trendfield ( <i>Note 3</i> )	Beneficial owner	78,053,121	2.07
	Interest of controlled corporation	16,250,000	0.43
	Other interest ( <i>Note 6</i> )	146,207,814	3.88
KSL ( <i>Note 4</i> )	Interest of controlled corporation	151,113,018	4.01
	Other interest ( <i>Note 6</i> )	110,078,201	2.92
Baylite ( <i>Note 4</i> )	Beneficial owner	151,113,018	4.01
	Other interest ( <i>Note 6</i> )	110,078,201	2.92

*Notes:*

1. KHL is a wholly owned subsidiary of KGL and accordingly, the Shares in which KHL is shown as interested are also included in the Shares in which KGL is shown as interested.
2. Caninco Investments Limited, Paruni Limited and Darmex Holdings Limited are wholly owned subsidiaries of KHL and accordingly, the Shares in which Caninco Investments Limited, Paruni Limited and Darmex Holdings Limited are shown as interested are also included in the Shares in which KHL is shown as interested.
3. Kuok Brothers' interest via controlled corporation included the interests of Trendfield, being Kuok Brothers' wholly owned subsidiary.
4. KSL's interest via controlled corporation included the interests of Baylite, being KSL's wholly owned subsidiary.
5. The references to "Undertaken Shares" were Rights Shares undertaken by the above shareholders and their controlled corporations under the Irrevocable Undertaking. Such shares were not notifiable under the SFO and hence were not recorded in the Register.
6. The references to "Other interest" were interests in Rights Shares to be provisionally allotted to the above shareholders and their controlled corporations and the remaining Rights Shares deemed to be fully taken up and subscribed by the Underwriters.

## 5.2 Interests in other members of the Group

Name of non-wholly owned subsidiary of the Company	Name of substantial shareholder	Percentage of the relevant subsidiary's issued share capital (%)
Addu Investments Private Limited	The Government of the Republic of Maldives	30.00
Central Laundry Pte Limited	Cuscaden Properties Pte Limited	25.00
Eternal Treasure Investment Limited	PT Dian Sukses Gemilang	25.00
Fiji Resorts Limited	Qantas Airways Limited	20.99
Intense Power Limited	MCS Hotel LLC	49.00
Komtar Hotel Sdn Bhd	PNB Commercial Sdn Bhd	40.00
SA Lanka Development (Mauritius) Limited	Wilmar Investments (Mauritius) Limited	11.11
Shangri-La Hotel (Guangzhou Pazhou) Co, Limited	Fast Action Associates Limited	10.00
Shangri-La Hotel (Nanjing) Co, Limited	Kerry Properties (China) Limited	45.00
Shangri-La Hotels (Malaysia) Bhd	Kuok Brothers Mitsubishi UFJ Financial Group, Inc.	22.33
Shangri-La Hotels (Shenzhen) Limited	Tellon Development Limited	20.00
Shangri-La International Hotels (Chengdu) Limited	Fast Action Associates Limited	20.00
Shangri-La International Hotels (Pacific Place) Limited	Swire Properties Limited	20.00
Shangri-La International Hotels (Wenzhou) Limited	Best Speed Limited	25.00

Name of non-wholly owned subsidiary of the Company	Name of substantial shareholder	Percentage of the relevant subsidiary's issued share capital (%)
Shangri-La Mongolia Limited	MCS Tower LLC	49.00
Shangri-La Yangon Company Limited	Jenko Properties Limited KSL	13.89 13.89
Shenzhen Shangri-La Hotel Limited	Shenzhen Asia Enterprises Co, Limited	10.00
Traders Square Company Limited	Jenko Properties Limited KSL	11.69 11.69
Traders Yangon Company Limited	Jenko Properties Limited KSL	11.76 11.76
TRR-Kerry Development Co, Limited	COFCO (Hong Kong) Limited	42.67

Save as disclosed above and so far as the Directors or chief executive of the Company were aware, as at the Latest Practicable Date, there were no other persons who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the Register, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any option in respect of such capital.

## 6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF THE GROUP

None of the Directors has or has had any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, the date to which the latest published audited financial statements of the Group were made up.

None of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

**7. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors entered, or proposed to enter, into a service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

**8. MATERIAL CONTRACTS**

The Underwriting Agreement is the only contract that has been entered into by members of the Group within two years preceding the date of this Prospectus not in the ordinary course of business of the Group and is or may be material.

**9. LITIGATION**

As at the Latest Practicable Date, so far as the Directors were aware, there is no litigation or claims of material importance pending or threatened against any member of the Group.

**10. CONSENT OF EXPERT**

PricewaterhouseCoopers, as the Company's reporting accountant, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report on unaudited pro forma financial information of the Group dated 24 November 2014 in the Prospectus and/or references to its name included herein in the form and context in which they are included.

As at the Latest Practicable Date, PricewaterhouseCoopers did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

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

A copy of this Prospectus, together with a copy of each of the PAL, the EAF, the ARE and the ARS, and the written consent of PricewaterhouseCoopers referred to in paragraph 10 above, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. A copy of this Prospectus will also be deposited with the Securities Commission of Malaysia within seven days after the issue of this Prospectus.

**12. EXPENSES**

The expenses in connection with the Rights Issue, including underwriting commission, documentation, printing, translation, legal and accountancy fees and expenses, and the fees for the application for listing of the Rights Shares are estimated to amount to approximately HK\$30.2 million based on 447,499,257 Rights Shares to be allotted and issued (which takes

no account of the allotment and issuance of any additional Shares which may have been issued as a result of the exercise of the subscription rights attaching to the outstanding Share Options and the conversion rights attaching to the Convertible Bonds subsequent to the Latest Practicable Date) and are payable by the Company.

### **13. LEGAL EFFECT**

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

### **14. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at 28th Floor, Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong during normal business hours from the date of this Prospectus up to and including the 14th day following the date hereof:

- (i) the Memorandum of Association and Bye-laws of the Company;
- (ii) the annual reports of the Company for the two years ended 31 December 2012 and 2013;
- (iii) the interim report of the Company for the six months ended 30 June 2014;
- (iv) the written consent given by PricewaterhouseCoopers referred to in paragraph 10 above and the letter from PricewaterhouseCoopers set out in Appendix II to this Prospectus; and
- (v) the material contract(s) referred to in paragraph 8 above.

### **15. MISCELLANEOUS**

The English text of the Prospectus Documents shall prevail over the Chinese text.

1. EXPECTED TIMETABLE APPLICABLE TO QUALIFYING SHAREHOLDERS  
WHO ARE CDP DEPOSITORS

*The following timetable is applicable to Qualifying Shareholders who are CDP Depositors. CDP Depositors should also refer to the letter sent by CDP for and on behalf of the Company, together with the ARE and/or ARS relating to the Rights Issue for the procedures for application through CDP or by way of electronic application through an Automatic Teller Machine (ATM) of any of the Participating Banks (namely DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited, United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited) for the Rights Shares and (if applicable) the excess Rights Shares.*

(All times in this timetable refer to Singapore time)

Despatch of the Prospectus and its accompanying documents by ordinary post . . . . .	Monday, 24 November 2014
First day of dealings in nil-paid Rights Shares . . . . .	Wednesday, 26 November 2014
Last day of dealings in nil-paid Rights Shares . . . . .	Tuesday, 2 December 2014
Latest time for acceptance of the Rights Shares as well as application for excess Rights Shares and payment of consideration therefor . . . . .	.5:00 p.m. on Monday, 8 December 2014 (9:30 p.m. for electronic acceptances through the ATMs of the participating banks)
Latest time for Rights Issue and Underwriting Agreement to become unconditional . . . . .	.4:00 p.m. on Thursday, 18 December 2014
Announcement of results of acceptance of the Rights Issue . . . . .	Friday, 19 December 2014
Despatch of refund cheques in respect of wholly or partially unsuccessful excess applications by ordinary post . . . . .	Tuesday, 30 December 2014
Commencement of dealings in fully-paid Rights Shares . . . . .	Tuesday, 30 December 2014

**Investors should be aware that only nil-paid Rights Shares deposited with CDP may be accepted for dealings on the SGX-ST. Nil-paid Rights Shares deposited with CDP cannot be traded on the Hong Kong Stock Exchange and nil-paid Rights Shares registered on the Hong Kong Register cannot be traded on the SGX-ST. CDP Depositors who apply for the Rights Shares through CDP will have the Rights Shares credited into their respective Securities Accounts with CDP.**

## 2. DEALINGS AND SETTLEMENT IN SHARES ON THE SGX-ST

### 2.1 Dealings, brokerage and fees on the SGX-ST

- (a) Dealings in the Shares on the SGX-ST will be conducted in HK\$. The Shares are traded in board lots of 2,000 Shares or any other board lot sizes as the SGX-ST may require.
- (b) The brokerage commission in respect of trades of the Shares on the SGX-ST is negotiable.
- (c) A Singapore clearing fee is payable at the rate of 0.0325% of the transaction value. Clearing fees may be subject to the Goods and Services Tax in Singapore.

### 2.2 Settlement of dealings on the SGX-ST

- (a) In accordance with the bye-laws of the SGX-ST relating to settlement of dealings on the SGX-ST, it is mandatory for dealings on the SGX-ST to be effected through CDP on a scripless basis. The settlement will take place on the third Market Day following the date of transaction (“**Due Date**”) or in the event that the Due Date falls on a public holiday in Singapore, the settlement will take place on the next “Market Day” (as defined in the bye-laws of the SGX-ST) immediately after the Due Date.
- (b) CDP holds securities on behalf of investors in “Securities Accounts”. An investor may open a “Securities Account” directly with CDP, which is maintained in the name of the investor, or a sub-account with any “Depository Agent”. An approved “Depository Agent” may be a member company of the SGX-ST, a bank, merchant bank finance company, trust company or bank nominee.
- (c) Investors should ensure that the Shares to be dealt in on the SGX-ST are credited to their Securities Accounts or sub-accounts with the Depository Agents before dealing in the Shares since no assurance can be given that the Shares can be transferred to CDP in time for settlement if the transfer is effected following a dealing. If settlement cannot be effected on the Due Date following a dealing which has taken place, the buy-in procedures of the SGX-ST will be implemented.
- (d) Shareholders and potential shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding, or disposing of the Rights Shares or Shares (as the case may be). It is emphasised that the Company, the Directors and all other persons involved in the Rights Issue accept no responsibility for any tax effects on, or liabilities of, Shareholders and potential shareholders resulting from the subscription, purchase, holding or disposal of nil-paid or fully-paid Rights Shares or Shares (as the case may be).

**3. PROCEDURES FOR ACCEPTANCE, PAYMENT AND TRANSFER**

Qualifying Shareholders holding Shares through CDP as at the Record Date should receive a letter sent by CDP for and on behalf of the Company relating to the Rights Issue and should refer to the letter and the enclosed ARE for, among other things, the procedures for application for the Rights Shares and (if applicable) the excess Rights Shares.