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GREEN PARADE LIMITED

(Incorporated in the BVI with limited liability)

CHANCO INTERNATIONAL GROUP LIMITED

卓高國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 264)

JOINT ANNOUNCEMENT

- (1) CLOSE OF THE MANDATORY UNCONDITIONAL CASH OFFER AND ACCEPTANCE LEVEL;**
- (2) APPOINTMENT AND RESIGNATION OF DIRECTORS;**
- (3) CHANGE OF COMPOSITION OF AUDIT COMMITTEE, REMUNERATION COMMITTEE AND NOMINATION COMMITTEE;**
- (4) CHANGE OF COMPANY SECRETARY;**
- AND**
- (5) CHANGE OF AUTHORISED REPRESENTATIVES**

Reference is made to the announcements jointly issued by Green Parade Limited (the “**Offeror**”) and Chanco International Group Limited (the “**Company**”) on 28 July 2015, 18 August 2015 and 7 September 2015 respectively and the composite offer and response document dated 31 August 2015 jointly issued by the Offeror and the Company (the “**Composite Document**”) in relation to, among other things, the agreement for the sale and purchase of shares in the Company and the possible mandatory unconditional cash offers by Optima Capital Limited on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) and to cancel all outstanding share options of the Company. Capitalised terms used herein have the same meanings as defined in the Composite Document unless the context otherwise requires.

CLOSE OF THE OFFER AND ACCEPTANCE LEVEL

The Offeror and the Company jointly announce that the Offer was closed on Monday, 21 September 2015. The Offer has not been revised or extended by the Offeror.

As at 4:00 p.m. on Monday, 21 September 2015, being the latest time and date for acceptance of the Offer, valid acceptances of the Offer have been received in respect of 20,792,000 Offer Shares (representing approximately 5.98% of the issued share capital of the Company as at the date of this joint announcement).

Public float of the Company

Immediately before commencement of the Offer Period, the Offeror and parties acting in concert with it were interested in 376,000 Shares, representing approximately 0.12% of the issued share capital of the Company. Other than these 376,000 Shares, the Offeror and parties acting in concert with it did not hold, control or direct any Shares and rights over the Shares immediately before the Offer Period. Immediately following Completion which took place on 7 September 2015, the Offeror and parties acting in concert with it were interested in 226,516,000 Shares, representing approximately 65.11% of the issued share capital of the Company. Taking into account of the valid acceptances tendered for the Offer (subject to completion of transfer of those Offer Shares to the Offeror), as at the date of this joint announcement and immediately after the close of the Offer, (i) the Offeror and parties acting in concert with it are interested in an aggregate of 247,308,000 Shares, representing approximately 71.09% of the issued share capital of the Company; (ii) the Vendors, the Guarantors and parties acting in concert with any of them are interested in an aggregate of 8,888,000 Shares, representing approximately 2.55% of the issued share capital of the Company; and (iii) 91,708,000 Shares, representing approximately 26.36% of the issued share capital of the Company, are held by the public (within the meanings of the Listing Rules), being in compliance with the minimum public float requirements under Rule 8.08(1)(a) of the Listing Rules.

Save for the Sale Shares and the Offer Shares tendered for acceptances of the Offer described above, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any Shares or rights over Shares during the Offer Period. None of the Offeror and the parties acting in concert with it has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company during the Offer Period.

Settlement of the Offer

Settlement of the consideration in respect of acceptances received on or before the latest time and date for acceptance of the Offer has been/will be made as soon as possible but in any event within seven Stock Exchange Business Days following the later of (a) the date on which the Offer becomes or is declared unconditional in all respects; and (b) the date of receipt by the Registrar of the duly completed Acceptance Form together with all the valid requisite documents from the Independent Shareholders accepting the Offer in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

APPOINTMENT OF DIRECTORS

The Board announces that Mr. Lee Wing Yin and Mr. Ngan Man Ho have been appointed as executive Directors; and Mr. Lung Hung Cheuk, Mr. Leung Ka Tin and Mr. Li Wai Ming have been appointed as independent non-executive Directors, all with effect from 21 September 2015. The biographies of the new Directors are set out below:

Mr. Lee Wing Yin (“**Mr. Lee**”), aged 45, has been appointed as an executive Director, chief executive officer, company secretary and authorised representative of the Company with effect from 21 September 2015. He is responsible for provision of advice for overall management, strategic development and supervision of the Group. He is an associate member of the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and a fellow member of The Association of Chartered Certified Accountants (“**ACCA**”). He has over ten years of working experience in auditing and business advisory services and had worked for international accounting firms for six years. He held senior financial management positions with various local companies before joining the Company. He is an executive director and chief executive officer of Winfull Group Holdings Limited (Stock code: 183) (“**Winfull**”), a company listed on the Main Board of the Stock Exchange, and also director of various subsidiaries and the associate of Winfull. Mr. Lee was appointed as the executive director and chairman of iOne Holdings Limited (Stock code: 982) (“**iOne**”), a company listed on the Main Board of the Stock Exchange, with effect from 18 September 2009 and 1 March 2010 respectively, and resigned as the executive director and chairman of iOne on 21 July 2014.

On 17 December 2004, the Stock Exchange publicly censured Mr. Lee, being director of a listing applicant, for his endorsement of the sponsor’s submission and views while having at all material times full knowledge of the material information, thereby causing the listing applicant to breach its undertaking to the Stock Exchange in a listing application, and consequently Mr. Lee was in breach of his director’s undertakings to the Stock Exchange.

As at the date of this announcement, Mr. Lee has not entered into any service contract with the Company in relation to his appointment as an executive Director. Mr. Lee is not appointed for a specific term but he is subject to retirement by rotation and re-election in accordance with the memorandum and articles of association of the Company (the “**Articles**”). Mr. Lee will be entitled to receive a director’s fee to be determined by the Board and the remuneration committee of the Company (the “**Remuneration Committee**”) with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Mr. Ngan Man Ho (“**Mr. Ngan**”), aged 38, graduated from the University of Hong Kong with a master degree of Architecture and a bachelor degree of Arts in Architectural Studies. He is currently an authorised person under Building Authority of Hong Kong, a registered architect of Hong Kong and a member of Hong Kong Institute of Architect with 11 years of extensive experience in architectural design and project management. He has participated in various projects in Hong Kong and the PRC. He is responsible for provision of advice for overall management, strategic development and business development of the Group. Mr. Ngan is also an executive director of Winfull.

As at the date of this announcement, Mr. Ngan has not entered into any service contract with the Company in relation to his appointment as an executive Director. Mr. Ngan is not appointed for a specific term but he is subject to retirement by rotation and re-election in accordance with the Articles. Mr. Ngan will be entitled to receive a director’s fee to be determined by the Board and the Remuneration Committee with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Mr. Lung Hung Cheuk (“Mr. Lung”), aged 68, is a retired chief superintendent of the Hong Kong Police Force (the “**Hong Kong Police**”). He joined the Hong Kong Police in 1966 as a Probationary Inspector at the age of 19. He was promoted to the rank of chief inspector in 1980, superintendent in 1986, senior superintendent in 1993 and chief superintendent in 1997. He had served in various police posts, namely Special Branch, Police Tactical Unit, Police Public Relations Bureau and in a number of police divisions at management level. Prior to his retirement in April 2002, he was the commander of Sham Shui Po Police District. Mr. Lung was also the secretary and then the chairman of the Superintendents’ Association (“**SPA**”) of the Hong Kong Police from 1993 to 2001. The membership of the SPA comprises top management of the Hong Kong Police from superintendents up to and including the commissioner of Hong Kong Police. He was awarded the Police Meritorious Service Medal by the Chief Executive of Hong Kong in 2000.

Mr. Lung is the independent non-executive director of Winfull and Sitoy Group Holdings Limited (Stock code: 1023), both being companies listed on the Main Board of the Stock Exchange. He resigned as an independent non-executive director of iOne on 21 July 2014.

Mr. Lung has entered into a letter of appointment with the Company dated 21 September 2015 in relation to his appointment as an independent non-executive Director for a term of one year with effect from 21 September 2015. Such appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Lung is entitled to an annual remuneration of HK\$50,000. Such remuneration is covered in Mr. Lung’s letter of appointment with the Company. The remuneration of Mr. Lung is determined by the Board and the Remuneration Committee with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Mr. Leung Ka Tin (“Mr. Leung”), aged 62, holds a Diploma in Financial Management. Mr. Leung has 25 years of management experience in banking, treasury operation, project finance, logistics and human resource management. He was a senior management team member of various financial institutions including First Pacific Group, Nedcor Asia (previously known as Nedfinance), BfG Germany and Delta Asia Financial Group as well as companies in the logistics and telecommunication sectors including EAS Da Tong Group and Trident Telecom Ventures Limited. Mr. Leung also has extensive experience in the corporate finance field. Mr. Leung has been appointed as an executive director of China Kingstone Mining Holdings Limited (stock code: 1380) since 14 July 2015 and an independent non-executive director of Wealth Glory Holdings Limited (stock code: 8269) since 23 July 2014.

Mr. Leung has entered into a letter of appointment with the Company dated 21 September 2015 in relation to his appointment as an independent non-executive Director for a term of one year with effect from 21 September 2015. Such appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Leung is entitled to an annual remuneration of HK\$50,000. Such remuneration is covered in Mr. Leung’s letter of appointment with the Company. The remuneration of Mr. Leung is determined by the Board and the Remuneration Committee with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Mr. Li Wai Ming (“**Mr. Li**”), aged 44, holds a Master and a Bachelor Degree of Accountancy from The Hong Kong Polytechnic University in 2004 and 1996 respectively. He is currently an associate member of the HKICPA and a fellow member of the ACCA. He is also a Chartered Secretary and a Certified Tax Adviser. Mr. Li has over 10 years of experience in various field of auditing, accounting, taxation and corporate finance. He has worked for an international audit firm and a company listed on the Main Board of the Stock Exchange for 19 years.

Mr. Li has entered into a letter of appointment with the Company dated 21 September 2015 in relation to his appointment as an independent non-executive Director for a term of one year with effect from 21 September 2015. Such appointment is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Li is entitled to an annual remuneration of HK\$50,000. Such remuneration is covered in Mr. Li’s letter of appointment with the Company. The remuneration of Mr. Li is determined by the Board and the Remuneration Committee with reference to his duties, responsibilities, qualifications, experiences and the prevailing market conditions.

Save as disclosed above,

- (i) each of the new Directors has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years;
- (ii) as at the date of this joint announcement, each of the new Directors does not have any interest in the Shares (within the meaning of Part XV of the SFO);
- (iii) each of the new Directors (i) does not hold any other positions in the Company or its subsidiaries; and (ii) does not have any other relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the Listing Rules); and
- (iv) there is no other information in relation to the appointment of the new Directors that is required to be disclosed nor are/were they involved in any of the matters required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there is no other matter that needs to be brought to the attention of the Shareholders.

The Company would like to extend its welcome to the new Directors to the Board.

RESIGNATION OF DIRECTORS

The Board announces that Mr. Edwin Chan, Mr. Stanley Chan and Ms. Rebecca Chan resigned as executive Directors; and Mr. Fong Pui Sheung David *MH* (“**Mr. Fong**”), Ms. Chau Cynthia Sin Ha *JP* (“**Ms. Chau**”) and Mr. Or Kam Chung Janson (“**Mr. Or**”) resigned as independent non-executive Directors, all with effect after the close of the Offer on 21 September 2015. Mr. Edwin Chan and Mr. Stanley Chan will remain as directors of all operating subsidiaries of the Group and Ms. Rebecca Chan will remain as director of certain operating subsidiaries of the Group after the close of the Offer to ensure that the business of the Group is able to operate smoothly following the change of the Board composition.

Each of the resigned Directors has confirmed to the Board that he/she has no disagreement with the Board and that there are no other matters in relation to his/her resignation that need to be brought to the attention of the Shareholders. The Board would like to extend its sincere gratitude and appreciation to Mr. Edwin Chan, Mr. Stanley Chan, Ms. Rebecca Chan, Mr. Fong, Ms. Chau and Mr. Or for their valuable contributions towards the Company during their tenure of office.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board announces that:

- (i) Mr. Lung has been appointed as the chairman of the Remuneration Committee; Mr. Leung and Mr. Li have been appointed as members of the Remuneration Committee; Mr. Or has resigned as chairman of the Remuneration Committee; and Mr. Fong and Ms. Chau have resigned as members of the Remuneration Committee;
- (ii) Mr. Leung has been appointed as the chairman of the nomination committee of the Company (the “**Nomination Committee**”); Mr. Lung and Mr. Li have been appointed as members of the Nomination Committee; Ms. Chau has resigned as chairman of the Nomination Committee; and Mr. Fong and Mr. Or have resigned as members of the Nomination Committee;
- (iii) Mr. Li has been appointed as the chairman of the audit committee of the Company (the “**Audit Committee**”); Mr. Lung and Mr. Leung have been appointed as members of the Audit Committee; Mr. Fong has resigned as chairman of the Audit Committee; and Mr. Or and Ms. Chau have resigned as members of the Audit Committee,

all with effect from 21 September 2015.

CHANGE OF COMPANY SECRETARY

Mr. Lee Man Tai has resigned as company secretary of the Company with effect from 21 September 2015 and Mr. Lee has been appointed in his stead.

CHANGE OF AUTHORISED REPRESENTATIVES

Mr. Edwin Chan and Mr. Stanley Chan ceased to be authorised representatives of the Company with effect from 21 September 2015, and Mr. Lee and Mr. Ngan have been appointed in their stead.

By order of the board of
Green Parade Limited
Lee Wing Yin
Director

By order of the Board
Chanco International Group Limited
Lee Wing Yin
Director

Hong Kong, 21 September 2015

As at the date of this joint announcement, the Board comprises two executive Directors, namely Mr. Lee Wing Yin and Mr. Ngan Man Ho; and three independent non-executive Directors, namely Mr. Lung Hung Chuk, Mr. Leung Ka Tin and Mr. Li Wai Ming.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this Announcement, the board of directors of the Offeror comprises two directors, namely Mr. Pong Wilson Wai San and Mr. Lee Wing Yin.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.