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HERALD HOLDINGS LIMITED

興利集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00114)

MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO THE PROPERTIES IN SHENZHEN

THE FRAMEWORK AGREEMENT

The Board is pleased to announce that on 31 March 2016 (after trading hours), Shenzhen Herald, OCT Group, Herald Investments (China) and Shanghai NIU, entered into the Framework Agreement in relation to the Transactions. Pursuant to the Framework Agreement, it was agreed between the parties that (i) Shenzhen Herald agreed to dispose of, and OCT Group agreed to acquire, Property A and Property B at the consideration of RMB125,543,800 (equivalent to approximately HK\$151,257,600) and RMB34,704,600 (equivalent to approximately HK\$41,812,800) respectively, and (ii) Shenzhen Herald and OCT Group agreed to terminate the Previous Transfer Agreements and Property C and Property D shall be transferred to OCT Group subject to OCT Group paying the Compensation of RMB74,721,300 (equivalent to approximately HK\$90,025,700) to Shenzhen Herald. The total of the Consideration and the Compensation amounts to RMB234.97 million (equivalent to HK\$283.10 million).

IMPLICATIONS UNDER THE LISTING RULES

Shenzhen Herald is a non-wholly owned subsidiary of the Company of which 60% of its equity interests is owned by the Group, and the remaining equity interests is held by OCT Group as to 20% and Shanghai NIU as to 20%. As OCT Group is a substantial shareholder of Shenzhen Herald and hence a connected person of the Company, the Transactions constitute connected transactions of the Company under the requirement of Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and Shareholders' approval requirements if: (1) the listed issuer's board of directors have approved the transaction; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its Shareholders as a whole.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Framework Agreement and the Transactions, and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Framework Agreement and the Transactions are fair and reasonable, and that the Transactions are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Framework Agreement and Transactions are exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, as one or more of the applicable percentage ratios in respect of the Framework Agreement and the Transactions exceed 25% but are all less than 75%, the Transactions constitute major transactions of the Company and are subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has material interest in the Transactions. As such, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Framework Agreement and the Transactions.

GENERAL

The SGM will be convened for the Shareholders to consider and, if thought fit, to approve the Framework Agreement and the Transactions. A circular pursuant to Chapter 14 of the Listing Rules, containing, among other things, further particulars of the Framework Agreement and the Transactions, the financial information of the Group, a valuation report on the Properties, and the notice of the SGM is expected to be despatched to the Shareholders on or before 6 May 2016.

Shareholders and potential investors should note that the Framework Agreement and the Transactions are subject to various conditions which may or may not be fulfilled. There is therefore no assurance that the Transactions will proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares of the Company.

The Board is pleased to announce that that on 31 March 2016 (after trading hours), Shenzhen Herald, an indirect non-wholly owned subsidiary of the Company, OCT Group, Herald Investments (China) and Shanghai NIU, entered into the Framework Agreement in relation to the Transactions.

THE FRAMEWORK AGREEMENT

Date: 31 March 2016 (after trading hours)

Parties:

- (1) OCT Group;
- (2) Herald Investments (China);
- (3) Shanghai NIU; and
- (4) Shenzhen Herald

Shenzhen Herald is a non-wholly owned subsidiary of the Company incorporated in the PRC with limited liability and was principally engaged in manufacturing of toys. Shenzhen Herald had ceased operation and become dormant since August 2008. Shenzhen Herald is jointly owned by Herald Investments (China), OCT Group and Shanghai NIU as to 60%, 20% and 20% respectively.

OCT Group is a central enterprise subordinate to SASAC and its principal businesses include tourism and cultural industry, real estate and hotel development and operations and manufacture of electronic and accessories packaging products.

Herald Investments (China) is a wholly owned subsidiary of the Company incorporated in the PRC with limited liability and is investment holding company of Shenzhen Herald.

Shanghai NIU is a limited liability company incorporated in the PRC and it is principally engaged in industrial, trading, real estate and modernized services business.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save as their shareholdings in Shenzhen Herald, OCT Group, Shanghai NIU and their respective ultimate beneficial owners are independent third parties not connected with the Company or connected persons of the Company.

The Transactions

Pursuant to the Framework Agreement:

- (1) Shenzhen Herald shall enter into the Property A Transfer Agreement pursuant to which Shenzhen Herald shall dispose of, and OCT Group shall acquire Property A at a consideration of RMB125,543,800 (equivalent to approximately HK\$151,257,600);
- (2) Shenzhen Herald shall enter into the Property B Transfer Agreement pursuant to which Shenzhen Herald shall dispose of, and OCT Group shall acquire Property B at a consideration of RMB34,704,600 (equivalent to approximately HK\$41,812,800); and
- (3) Shenzhen Herald and OCT Group shall enter into the Termination Agreement to terminate the Previous Transfer Agreement and Property C and Property D shall be transferred to OCT Group subject to OCT paying the Compensation of RMB74,721,300 (equivalent to approximately HK\$90,025,700) to Shenzhen Herald.

(1) Major terms of the Property A Transfer Agreement

Parties

- (i) OCT Group; and
- (ii) Shenzhen Herald

Asset to be disposed

Property A is a land situated in Northeast Industrial Zone, Huaqiaocheng Road, Nanshan District, Shenzhen and has a site area of approximately 6,761.9 square metres together with Building A-1, which is an industrial building with a construction area of 14,315 square meters erected on it. Property A is used for industrial purpose and the land use right of it has been granted for a term expiring in 2018. Property A was preliminarily valued at approximately RMB118 million (equivalent to approximately HK\$142.17 million) as at 31 January 2016 by DTZ.

Consideration for Property A

The consideration of the Property A Transfer Agreement of RMB125,543,800 (equivalent to approximately HK\$151,257,600) was determined after arm's length negotiations between the parties of the Framework Agreement after taking into account the preliminary valuation of the Property A as at 31 January 2016 of approximately RMB118 million (equivalent to approximately HK\$142.17 million) as valued by DTZ. The consideration for Property A will be settled in cash by OCT Group as follows:

- (i) RMB40,000,000 shall be paid within three (3) business days after the Effective Date; and
- (ii) the remaining RMB85,543,800 shall be paid within five (5) business days after completion of the title transfer and registration and OCT Group duly obtained the title certificate of Property A.

(2) Major terms of Property B Transfer Agreement

Parties

- (i) OCT Group; and
- (ii) Shenzhen Herald

Asset to be disposed

Property B is a land situated in Northeast Industrial Zone, Huaqiaocheng Road, Nanshan District, Shenzhen and has a site area of approximately 1,139.3 square metres together with Building 12, which is a residential building with a construction area of 1,246.08 square meters erected on it. Property B is used for residential purpose and the land use right of it has been granted for a term expiring in 2038. Property B was preliminarily valued at approximately RMB34.5 million (equivalent to approximately HK\$41.57 million) as at 31 January 2016 by DTZ.

Consideration for Property B

The consideration of the Property B Transfer Agreement of RMB34,704,600 (equivalent to approximately HK\$41,812,800) was determined after arm's length negotiations between the parties to the Framework Agreement after taking into account the preliminary valuation of the Property B as at 31 January 2016 of approximately RMB34,500,000 (equivalent to approximately HK\$41,566,300) as valued by DTZ. The consideration for Property B will be settled in cash by OCT Group as follows:

- (i) RMB10,000,000 shall be paid within three (3) business days after the Effective Date; and
- (ii) the remaining RMB24,704,600 shall be paid within five (5) business days after completion of the title transfer and registration and OCT Group duly obtained the title certificate of Property B.

(3) Major terms of the Termination Agreement

Parties

- (i) OCT Group; and
- (ii) Shenzhen Herald

Assets to be transferred

Property C is the 60 units of Building 17, Dong Zu Tuan, Huaqiaocheng, Shenzhen with a construction area of 1,858 square meters. It was preliminarily valued at approximately RMB45 million (equivalent to approximately HK\$54.22 million) as at 31 January 2016 by DTZ.

Property D is the 42 units of Building 23, Dong Zu Tuan Residential Area, Huaqiaocheng, Shenzhen with a construction area of 1,223.16 square meters. It was preliminarily valued at approximately RMB29.5 million (equivalent to approximately HK\$35.54 million) as at 31 January 2016 by DTZ.

According to the Previous Transfer Agreements, Shenzhen Herald agreed to acquire Property C and Property D from OCT Properties Company. Shenzhen Herald had fulfilled its obligations under the Previous Transfer Agreements and according to the terms of the Previous Transfer Agreements, Shenzhen Herald should be entitled to the rights and obligations as the owner of Property C and Property D. However, with reference to a legal opinion obtained by the Company in relation to PRC laws, Shenzhen Herald has not been duly registered as the registered owner of Property C and Property D and the legal title of Property C and Property D was not duly passed from OCT Properties Company to Shenzhen Herald at the time of the Previous Transfer Agreements. In this regard, Shenzhen Herald does not have the legal position to sell Property C and Property D to OCT Group. Considering the above, the parties to the Framework Agreement agree to terminate the Previous Transfer Agreements and Property C and Property D shall be transferred to OCT Group subject to OCT Group paying the Compensation to Shenzhen Herald.

Compensation for Property C and Property D

OCT Group, assumed the rights and obligations of OCT Properties Company in relation to Property C and Property D, agrees to pay Shenzhen Herald a sum equivalent to the market value of Property C and Property D as the compensation for Shenzhen Herald assuming Shenzhen Herald is legally entitled to dispose the properties in the open market. The Compensation of RMB74,721,300 (equivalent to approximately HK\$90,025,700) under the Termination Agreement was determined after arm's length negotiations between the parties to the Framework Agreement after taking into account the preliminary valuation of the Property C and the Property D as at 31 January 2016 of approximately RMB74,500,000 (equivalent to approximately HK\$89.76 million) as valued by DTZ. The Compensation will be settled in cash by OCT Group within ten (10) business days after the Effective Date.

CONDITIONS PRECEDENTS

(1) The Transfer Agreements

OCT Group and Shenzhen Herald shall enter into the Transfer Agreements and the Transfer Agreements shall become effective upon the following conditions fulfilled:

- (i) the approval by the Shareholders of the Framework Agreement and the Disposals having been obtained in accordance with the Listing Rules, and

- (ii) Shenzhen Herald having obtained a valuation report issued by an independent professional valuer in such form and substance reasonably satisfactory to Shenzhen Herald and the amount of Consideration shall not be less than the total valuation of Property A and Property B.

The Transfer Agreements shall become effective on the Effective Date which shall be the date on which the last of the above conditions is fulfilled.

(2) The Termination Agreement

OCT Group and Shenzhen Herald shall enter into the Termination Agreement and the Termination Agreement shall become effective upon the following conditions fulfilled:

- (i) the approval by the Shareholders of the Framework Agreement and the Termination having been obtained in accordance with the Listing Rules,
- (ii) Shenzhen Herald having obtained a valuation report issued by an independent professional valuer in such form and substance reasonably satisfactory to Shenzhen Herald and the amount of Compensation shall not be less than the total valuation of Property C and Property D.

The Termination Agreement shall become effective on the Effective Date which shall be the date on which the last of the above conditions is fulfilled.

None of the above conditions in respect to the Transfer Agreements and the Termination Agreement can be waived by the parties to the Framework Agreement. If the above conditions in respect to the Transfer Agreements and the Termination Agreement are not fulfilled on or before 30 September 2016 (or such other date as the parties to the Framework Agreement may agree), the Framework Agreement will be terminated and the Transfer Agreements and the Termination Agreement shall not become effective.

COMPLETION

(1) The Transfer Agreements

After the Transfer Agreements have become effective, OCT Group and Shenzhen Herald shall apply to the relevant registry to transfer the ownership title of Property A and Property B to OCT Group. Each of Property A and Property B shall be delivered to OCT Group within three (3) business days after OCT Group has duly settled the respective payment of the consideration of Property A and Property B.

(2) The Termination Agreement

After the Termination Agreement has become effective, OCT Group and Shenzhen Herald shall attend all necessary procedures and execute such documents (if any) to make good the title of OCT Group of Property C and D. Property C and Property D shall be delivered to OCT Group within three (3) business days upon the receipt of the Compensation.

TERMINATION OF THE TRANSFER AGREEMENTS AND THE TERMINATION AGREEMENT

If OCT Group fails to obtain the title certificates for Property A and/or Property B within one year from the Effective Date (or such other date as the parties to the Framework Agreement may agree) or OCT Group fails to pay Shenzhen Herald in accordance with the respective terms of the Transfer Agreements, the relevant Transfer Agreement shall be terminated and the provisions in the Framework Agreement in respect of Property A and/or Property B shall cease to have effect.

If any of the Transfer Agreements is terminated as a result of the failure of OCT Group to comply with any of its obligations under the Transfer Agreements, Herald Shenzhen shall be entitled to retain 50% of the amount of payment Herald Shenzhen has received under the respective agreement as penalty.

If OCT Group fails to pay Shenzhen Herald in accordance with the terms of the Termination Agreement in relation to Property C and Property D, the Termination Agreement shall be terminated and the provisions in the Framework Agreement in relation to Property C and Property D shall cease to have effect. Shenzhen Herald shall have the right to continue to use Property C and Property D.

FINANCIAL EFFECTS OF THE TRANSACTIONS

The net book value of the Properties as at the date of the latest audited consolidated financial statements, i.e. 31st March 2015, amounted to HK\$2,210,000. Based on the total of the Consideration and the Compensation of RMB234,969,700 (equivalent to HK\$283,096,000), the Company is expected to recognize a gain after tax (net of estimated tax payable of approximately RMB151 million, related costs and expenses such as legal costs and professional advisers fees) of approximately HK\$91,373,000 from the Transactions. The Company would like to emphasize that the aforesaid expected gain will be varied subject to the exact amount of tax payable in relation to the Transactions.

PROPOSED USE OF PROCEEDS

Shenzhen Herald has been dormant since 2008 and the Company has resolved to wind up the company and its operation. The Company intends to use the net proceeds as the expenses for winding up Shenzhen Herald. The remaining amount (if any) will be distributed to Herald Investments (China), OCT Group and Shanghai NIU upon the successful liquidation of Shenzhen Herald. The Company is intended to use the distributed amount (if any) as general working capital and for future investment of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in manufacturing and trading of toys, houseware, computer products and timepieces.

The Disposals

Property A and Property B were acquired by the Group in 1988 and 1989 respectively. Since Shenzhen Herald had ceased its operation in 2008, Property A is no longer used for the manufacturing operations of the Group while Property B is used by a limited number of staff. The Company has no immediate plan to re-develop Property A and Property B. The Board considers that the Disposals represent a good opportunity for the Company to realize its previous investment in the Property A and Property B.

The Termination

The Group has been occupying Property C and Property D since 1989 after the signing of the Previous Transfer Agreements. As the dormitory of Shenzhen Herald, Property C and Property D have been no longer in use after it ceases operation and the Company has no immediate plan to re-develop the Property C and Property D. The Board considers that the Termination allow the Company to exit the previous investment in the Property C and Property D at a fair price and without much discount due to title deficiency.

Upon the completion of the Transactions, the net proceeds generated therefrom shall strengthen the cash flow of the Company. It may allow a more efficient allocation of internal resources of the Company which in turn facilitates a stronger liquidity of the Company for prospective future development.

The Board is of the view that the terms in the Framework Agreement, the Transfer Agreements and the Termination Agreement including the Consideration and the Compensation are in normal commercial terms, which are fair and reasonable and in the interests of the Shareholders and the Company as a whole.

IMPLICATIONS OF THE LISTING RULES

Shenzhen Herald is a non-wholly owned subsidiary of the Company of which 60% of its equity interests is owned by the Group, and the remaining equity interests is held by OCT Group as to 20% and Shanghai NIU as to 20%. As OCT Group is a substantial shareholder of Shenzhen Herald and hence a connected person of the Company, the Transactions constitute connected transactions of the Company under the requirement of Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.101 of the Listing Rules, a connected transaction between the listed issuer's group and a connected person at the subsidiary level on normal commercial terms or better is exempt from the circular, independent financial advice and Shareholders' approval requirements if: (1) the listed issuer's board of directors have approved the transaction; and (2) the independent non-executive directors have confirmed that the terms of the transaction are fair and reasonable, the transaction is on normal commercial terms or better and in the interests of the listed issuer and its Shareholders as a whole.

The Company has obtained the approval from the Board (including the independent non-executive Directors) regarding the Framework Agreement and the Transactions and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Framework Agreement and the Transactions are fair and reasonable, and that the Transactions are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. As such, pursuant to Rule 14A.101 of the Listing Rules, the Framework Agreement and Transactions are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, as one or more of the applicable percentage ratios in respect of the Framework Agreement and the Transactions exceed 25% but are all less than 75%, the Transactions constitute major transactions of the Company and are subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has material interest in the Transactions and none of them is required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Framework Agreement and Transactions.

GENERAL

The SGM will be convened for the Shareholders to consider and, if thought fit, to approve the Framework Agreement and the Transactions. A circular pursuant to Chapter 14 of the Listing Rules, containing, among other things, further particulars of the Transactions, the financial information of the Group, a valuation report on the Properties, and the notice of the SGM is expected to be despatched to the Shareholders on or before 6 May 2016 so as to allow more time for the preparation of the relevant information for inclusion in the circular.

Shareholders and potential investors should note that the Framework Agreement and the Transactions are subject to various conditions which may or may not be fulfilled. There is therefore no assurance that the Transactions will proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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| “Board” | the board of Directors |
| “Company” | Herald Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange |
| “Compensation” | the compensation payable by OCT Group to Shenzhen Herald under the Termination Agreement |
| “Consideration” | the aggregate consideration payable by OCT Group to Shenzhen Herald under Property A Transfer Agreement and Property B Transfer Agreement |
| “Directors” | the director(s) of the Company |
| “Disposals” | the disposal of Property A and Property B pursuant to the terms of the Framework Agreement and Transfer Agreements |
| “DTZ” | Debenham Tie Leung Limited, an independent valuer |
| “Effective Date” | the date on which the Transfer Agreements and the Termination Agreement become effective |
| “Framework Agreement” | the Framework Agreement entered into between Shenzhen Herald, OCT Group, Herald Investments (China) and Shanghai NIU dated 31 March 2016, in relation to the Transactions |
| “Group” | the Company and its Subsidiaries from time to time |

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| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Herald Investments (China)” | 興利投資（中國）有限公司(Herald Investments (China) Company Limited), a wholly-owned subsidiary of the Company, whose principal activity is investment holding and holds 60% interest of Shenzhen Herald |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “OCT Group” | 華僑城集團公司(Overseas Chinese Town Group Limited), a central enterprise subordinate to SASAC and it is interested in 20% of the equity interests in Shenzhen Herald |
| “OCT Properties Company” | 深圳特區華僑城房地產公司(Shenzhen Special Zone OCT Properties Company), currently named as 深圳華僑城房地產有限公司(Shenzhen OCT Properties Co., Ltd), a wholly owned subsidiary of the OCT Group at the time of the Previous Transfer Agreement |
| “PRC” | the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Properties” | collectively, Property A, Property B, Property C and Property D |
| “Property A” | the land use right to the land situated in Northeast Industrial Zone, Huaqiaocheng Road, Nanshan |

District, Shenzhen and has a site area of approximately 6,761.9 square metres and Building A-1, which is an industrial building with a construction area of 14,315 square meters erected on it (深圳市南山區華僑城路東北工業區A-1棟)

“Property A Transfer Agreement” the agreement to be entered into between the Shenzhen Herald as seller and the OCT Group as buyer in respect of Property A

“Property B” the land use right to the land situated in Northeast Industrial Zone, Huaqiaocheng Road, Nanshan District, Shenzhen and has a site area of approximately 1,139.3 square metres and Building 12, which is a residential building with a construction area of 1,246.08 square meters erected on it (深圳市南山區華僑城路僑城東街12棟)

“Property B Transfer Agreement” the agreement to be entered into between the Shenzhen Herald as seller and the OCT Group as buyer in respect of Property B

“Property C” the 60 units of Building 17, Dong Zu Tuan, Huaqiaocheng, Shenzhen with a construction area of 1,858 square meters (深圳市華僑城東組團第17座單身樓60間單元)

“Property D” the 42 units of Building 23, Dong Zu Tuan Residential Area, Huaqiaocheng, Shenzhen with a construction area of 1,223.16 square meters (深圳市華僑城東組團住宅區第23座單身樓共42個單元)

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| “Previous Transfer Agreements” | the commercial property sale and purchase agreement dated 1 July 1989 in relation to Property C and the commercial property sale and purchase agreement dated 1 December 1989 in relation to Property D, both agreements entered into between the Shenzhen Herald as buyer and OCT Properties Company as seller |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SASAC” | State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) |
| “SGM” | the special general meeting of the Company to be convened for seeking the Shareholder’s approval of the Framework Agreement and the transactions contemplated thereunder |
| “Share(s)” | share(s) of US\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Shanghai NIU” | 上海新工聯（集團）有限公司(Shanghai NIU (Group) Company Limited), a limited liability company incorporated in the PRC and it is interested in 20% of the equity interests in Shenzhen Herald |
| “Shenzhen Herald” | 深圳興利五金塑膠有限公司(Shenzhen Herald Metal and Plastic Company Limited), a company incorporated in the PRC and a non-wholly owned subsidiary of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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| “Termination” | the termination of the Previous Transfer Agreements pursuant to the Termination Agreement |
| “Termination Agreement” | the termination agreement to be entered into between the Shenzhen Herald and the OCT Group in respect of Property C and Property D |
| “Transactions” | the Disposals and the Termination |
| “Transfer Agreement(s)” | the Property A Transfer Agreement and/or the Property B Transfer Agreement |

By Order of the Board
Robert Dorfman
Chairman

Hong Kong, 31 March 2016

As at the date of this announcement, the Board comprises the following directors:

Executive Directors:

Mr. Robert Dorfman

Mr. Shum Kam Hung ACIS, CPA

Dr. Cheung Tsang Kay Stan PhD, Hon LLD, Hon DBA, JP

Independent Non-executive Directors:

Mr. David Tai Chong Lie-A-Cheong SBS, OM, JP

Mr. Yeh Man Chun Kent

Mr. Ng Tze Kin David CA(AUST.), FCPA

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at RMB0.83 = HK\$1.00.

**For identification only*