

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its 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 this announcement.



ORIENTAL EXPLORER HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 430)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE SALE SHARE AND THE SALE DEBT

The Board of the Company announces that on 22 March 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into a Provisional Agreement with the Vendor, an Independent Third Party, pursuant to which the Vendor agrees to sell and assign, and the Purchaser agrees to purchase and take up an assignment of, the Sale Share and the Sale Debt free from all encumbrances and third party rights. Upon completion of the Acquisition, the Purchaser will hold the entire issued and outstanding share capital in the Target Company, and the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

As one or more of the relevant applicable percentage ratios in respect of the Acquisition, calculated pursuant to Rule 14.07 of the Listing Rules, exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements but is exempted from shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors are considered to be interested in the Acquisition. Therefore, none of the Directors are required to abstain from voting at the Board meeting approving the entry into of the Provisional Agreement.

The Board of the Company announces that on 22 March 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, has entered into the Provisional Agreement with the Vendor, an Independent Third Party, pursuant to which the Vendor agrees to sell and assign, and the Purchaser agrees to purchase and take up an assignment of, the Sale Share and the Sale Debt free from all encumbrances and third party rights. Upon completion of the Acquisition, the Purchaser will hold the entire issued and outstanding share capital in the Target Company, and the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

The Consideration for the Acquisition is determined after arm's length negotiation and is based on normal commercial terms.

Provisional Agreement

Date: 22 March 2017

Vendor: Victoria Palace Limited, which is principally engaged in property investment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) is an Independent Third Party.

Purchaser: Merit Kind Limited (忠仁有限公司), an indirect wholly-owned subsidiary of the Company, which is principally engaged in property investment.

Assets to be acquired

Pursuant to the Provisional Agreement, the Vendor agrees to sell and assign, and the Purchaser agrees to purchase and take up an assignment of, the Sale Share and the Sale Debt free from all encumbrances and third party rights. Upon completion of the Acquisition, the Purchaser will hold the entire issued and outstanding share capital in the Target Company, and the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

Information of the Target Company

The Target Company is incorporated in Hong Kong with limited liability and is principally engaged in property investment. It is the full legal and beneficial owner and registered owner of the Property.

Set out below is certain audited financial information of the Target Company:

| | Year ended 31 March 2016 HK\$ | Year ended 31 March 2015 HK\$ |
|---------------------|--|--|
| Net loss before tax | 885,002 | 898,417 |
| Net loss after tax | 885,002 | 898,417 |
| | As at 31 March 2016 HK\$ | As at 31 March 2015 HK\$ |
| Net liabilities | 5,829,347 | 4,944,345 |

Upon completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

Information of the Property

The Property is situated at Flat A (Including the Bay Window, the Balcony, the Utility Platform thereof and the Air-Conditioning Plant Room Appertaining thereto) on the 30th Floor of Tower 1, Larvotto and Car Parking Space No. 16 on the Ground Floor, Larvotto, No. 8 Ap Lei Chau Praya Road, Hong Kong.

The Property is currently subject to an existing tenancy agreement dated 7 March 2016 which tenant (is an Independent Third Party) for a term of 24 months commencing on 28 March 2016 and expiring on 27 March 2018, with a monthly rental of HK\$85,000.00 (inclusive of management fees and government rent and rates) (the “Tenancy Agreement”). Both the Target Company and/or the said tenant shall have the right to terminate the Tenancy Agreement by giving not less than two months’ prior written notice to the other party and the said tenant has issued a two months’ prior notice on 22 March 2017 to terminate the Tenancy Agreement and will vacate the Property on 23 May 2017.

Consideration

Consideration: HK\$55,000,000.00

The purchase price is determined based on the current market price of the property in the same area after arm’s length negotiation between the Vendor and the Purchaser. No independent valuation is conducted on the Property by the valuer.

The consideration for the Acquisition will be satisfied by the Purchaser in cash and shall be funded by internal resources of the Group.

Terms of Payment: (a) an initial deposit in the sum of HK\$2,750,000.00 (the “Initial Deposit”) has been paid by the Purchaser to the Vendor upon signing of the Provisional Agreement;

(b) a further deposit in the sum of HK\$2,750,000.00 (the “Further Deposit”) shall be paid by the Purchaser to the Vendor on or before 27 April 2017; and

(c) the balance of the Consideration in the sum of HK\$49,500,000.00 (the “Balance”) shall be paid by the Purchaser to the Vendor on or before Completion.

The Vendor and the Purchaser agree that the Initial Deposit and the Further Deposit shall be held by the Vendor’s solicitors as stakeholders, which may release the same to the Vendor provided the Vendor’s solicitors confirm in writing to the Purchaser or the Purchaser’s solicitors that the Balance is sufficient to repay and discharge the aggregate amount of the Mortgage and the Sale Debt.

Completion Date: On or before 12 July 2017

Notwithstanding anything to the contrary in the Provisional Agreement, should the Purchaser fail to pay the Further Deposit or complete the purchase in accordance with the terms contained therein, the Vendor shall be entitled to terminate the Provisional Agreement and forfeit the Initial Deposit or the Initial Deposit plus the Further Deposit (as the case maybe) absolutely as liquidated damages and then sell the Sale Share and the Sale Debt to anyone at his absolute discretion provided that the Vendor shall not take any further action to claim for damages or to enforce specific performance.

Conditions precedent of the Acquisition

Completion is conditional upon the following conditions being fulfilled:

- (a) the Purchaser having completed his due diligence review on the business, financial, legal and other aspects of the Target Company and being reasonably satisfied with that paragraph (d) below is complied with;
- (b) the Vendor having procured the Target Company to give and prove a good title to the Property in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong);
- (c) the Vendor having caused and / or procured the Vendor's solicitors to provide an undertaking in writing to the Purchaser or the Purchaser's solicitors before Completion
 - (1) to provide the following draft documents to be dated on the Completion Date to the Purchaser's solicitors
 - (i) Certificate of Good Standing of the Vendor;
 - (ii) Certificate of Incumbency of the Vendor; and
 - (2) to deliver the aforesaid original certificates under sub-clauses (1)(i) and (1)(ii) within 21 working days from the Completion Date to the Purchaser's solicitors;and in this connection, the Vendor undertakes to provide the aforesaid original certificates to the Vendor's solicitors within 20 working days from the Completion Date; and
- (d) all the representations, undertakings and warranties given by the Vendor under the Provisional Agreement and the Formal Agreement are and shall remain true, accurate, correct and complete and not misleading in all respects up to the Completion.

If any of the foregoing conditions is not fulfilled (or waived by the Purchaser) on or before the Completion Date, the Purchaser shall be entitled to cancel the transaction under the Provisional Agreement whereupon the Initial Deposit and the Further Deposit shall be returned by the Vendor or the Vendor's solicitors to the Purchaser forthwith but without interest if the said deposits are returned within 7 days from the date the Vendor's solicitors receiving the written notice from the Purchaser or the Purchaser's solicitors for such cancellation and the Purchaser shall not take any further action to claim for damages.

Guarantee from the Vendor

All the undertakings, representations and warranties made by the Vendor under the Provisional Agreement and the Formal Agreement shall survive and still be binding after completion. If there is any breach or non-fulfilment, the Purchaser shall be entitled to claim against the Vendor both before and after completion. Nonetheless, no claim shall be made against the Vendor unless it is being made within 24 months after the Completion Date and legal proceedings thereof is being instituted within 30 months after the Completion Date. The aggregate maximum indemnification to be borne by the Vendor shall not exceed the Consideration.

Guarantee from the Vendor Guarantor

The Vendor Guarantor, as primary obligor and not merely as surety, hereby unconditionally and irrevocably guarantees to the Purchaser, and shall, on the Completion Date, unconditionally and irrevocably guarantees to the Purchaser and the Target Company, the due observance and performance by the Vendor of all the agreements, obligations, commitments and undertakings contained in the Provisional Agreement (hereinafter called "the Vendor Guaranteed Obligations") on the part of the Vendor to be observed and performed and that the warranties given or provided by the Vendor to the Purchaser and/or the Target Company under the Provisional agreement are true, accurate and correct and the Vendor Guarantor undertakes and agrees to indemnify the Purchaser and the Target Company and keep the Purchaser and the Target Company fully indemnified against all losses, costs, expenses and damages whatsoever which may be sustained by the Purchaser and/or the Target Company by reason of or in connection with any failure of the Vendor to perform any of the Vendor Guaranteed Obligations or breach of any of the warranties. Nonetheless, no claim shall be made against the Vendor Guarantor unless it is being made within 24 months after the Completion Date and legal proceedings thereof is being instituted within 30 months after the Completion Date. The aggregate maximum indemnification to be borne by the Vendor Guarantor shall not exceed the Consideration.

Reasons for and benefits of the Acquisition

The Group is principally engaged in the business of property investment, trading of securities and investment holding.

The Group has been focusing on the business of property investment and the Board has strived to build up its property portfolio. The Group seizes the opportunities to further expand its investment properties portfolio in quality premises. Taking into account the Acquisition will enlarge the property portfolio of the Group and may also enhance a stable source of rental income on leasing out the Property in future, the Board considers that the terms of the Provisional Agreement are fair and reasonable and the Acquisition is in the interests of the Company and its shareholders as a whole.

Listing Rules Implications

As one or more of the relevant applicable percentage ratios in respect of the Acquisition, calculated pursuant to Rule 14.07 of the Listing Rules, exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements but is exempted from shareholders' approval requirements under Chapter 14 of the Listing Rules.

General

None of the Directors are considered to be interested in the Acquisition. Therefore, none of the Directors are required to abstain from voting at the Board meeting approving the entry into the Provisional Agreement.

Definitions

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

| | |
|---------------------------|---|
| “Acquisition” | the acquisition of the Sale Share and Sale Debt by the Purchaser |
| “Board” | the board of the Directors |
| “Company” | Oriental Explorer Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange |
| “Completion” | completion of the Acquisition |
| “Consideration” | the purchase price for Acquisition |
| “Directors” | the directors of the Company |
| “Formal Agreement” | the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the Acquisition |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mortgage” | the mortgage of the Property dated 13 May 2011 and registered in the Land Registry of the Government of the Hong Kong Special Administrative Region by Memorial No. 11060101320033 |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |

| | |
|-------------------------|--|
| “Property” | Flat A (Including the Bay Window, the Balcony, the Utility Platform thereof and the Air-Conditioning Plant Room Appertaining thereto) on the 30 th Floor of Tower 1, Larvotto and Car Parking Space No. 16 on the Ground Floor, Larvotto, No. 8 Ap Lei Chau Praya Road, Hong Kong |
| “Provisional Agreement” | the provisional agreement for sale and purchase dated 22 March 2017 entered into between the Vendor and the Purchaser in relation to the Acquisition |
| “Purchaser” | Merit Kind Limited (忠仁有限公司), a company incorporated under the laws of Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company |
| “Sale Debt” | the right to all debts owing by the Target Company to the Vendor, the Target Company’s existing director and their associates (if any) as at Completion |
| “Sale Share” | the entire issued share capital of the Target Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Rich Century Development Limited (捷順發展有限公司), a company incorporated under the laws of Hong Kong with limited liability |
| “Vendor” | Victoria Palace Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and is an Independent Third Party not connected with the Company and its connected persons |
| “Vendor Guarantor” | the ultimate beneficial owner of the entire issued share capital of the Vendor who agrees to guarantee and procure the performance of all obligations of the Vendor under the Provisional Agreement. |
| “%” | per cent. |

By Order of the Board
Oriental Explorer Holdings Limited
Lau Kwok Yin
Company Secretary

Hong Kong, 23 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Lau Chi Yung, Kenneth and Mr. Lau Michael Kei Chi and the independent non-executive directors of the Company are Mr. Wong Yim Sum, Mr. Lee Siu Man, Ervin and Mr. Tsui Ka Wah.