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**MR. DONG BO FREDERIC**  
**OFFER ANNOUNCEMENT**  
**VOLUNTARY CONDITIONAL CASH OFFERS BY**



**ON BEHALF OF MR. DONG BO FREDERIC  
TO ACQUIRE ALL ISSUED SHARES AND  
ALL OUTSTANDING WARRANTS OF  
WEALTH GLORY HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY ACQUIRED OR  
AGREED TO BE ACQUIRED BY MR. DONG BO FREDERIC AND  
PARTIES ACTING IN CONCERT WITH HIM) AND  
FOR CANCELLATION OF ALL OUTSTANDING OPTIONS OF  
WEALTH GLORY HOLDINGS LIMITED**



**KINGSTON CORPORATE FINANCE LTD.**



**INCUCO Corporate Finance Limited**

**Joint financial advisers to the Offeror**

**THE OFFERS**

The Offeror notified the Company on 9 August 2016 (between 12:00 noon and 1:00 p.m.) that he intends to make the Offers (as supplemented by a further notice to the Company in relation to the conditions of the Offers on 12 August 2016) in compliance with the Takeovers Code through Kingston Securities, to acquire all the issued Shares and all outstanding Warrants (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him), and to cancel all outstanding Options in compliance with Rule 13.5 of the Takeovers Code on the following basis:

**Share Offer:**

For each Offer Share . . . . . HK\$0.042 in cash

**Option Offer:**

For cancellation of each outstanding Option . . . . . HK\$0.001 in cash

**Warrant Offer:**

For each outstanding Warrant . . . . . HK\$0.001 in cash

As at the date of this announcement, based on the published information in respect of the Company, the Company has 4,108,716,000 Shares in issue, 287,732,536 outstanding Options and 130,000,000 outstanding Warrants. Save as disclosed above, the Offeror is not aware of any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

On the basis of the consideration of HK\$0.042 per Offer Share under the Share Offer, the entire issued share capital of the Company as at the Last Trading Day was valued at HK\$172,566,072. On the assumption that: (i) the Share Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 4,019,916,000 Offer Shares; (ii) no Option is exercised prior to the close of the Offers; and (iii) no Warrant is exercised prior to the close of the Offers, the value of the Share Offer and the Warrant Offer are HK\$168,836,472 and HK\$130,000 respectively and the amount required to satisfy the cancellation of all the outstanding Options is approximately HK\$287,733. In aggregate, the Offers will be valued at approximately HK\$169,254,205.

In the event that all of the outstanding Options and Warrants are exercised in full by the Optionholders and Warrantholders respectively prior to the close of the Offers, the Company will have to issue 417,732,536 new Shares, representing approximately 9.23% of the total issued share capital of the Company of 4,526,448,536 Shares, as enlarged by such new Shares. On the assumption that the Share Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 4,437,648,536 Offer Shares (including all Shares allotted and issued as a result of the exercise of the Options and Warrants), the Offers will be valued at approximately HK\$186,381,239. In this case, no amount will be payable by the Offeror under the Option Offer and the Warrant Offer.

The Offeror intends to finance the total consideration payable under the Offers with a loan facility granted by Kingston Securities. Kingston Corporate Finance and INCU are satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations upon full acceptance of the Offers.

The Offers will be conditional, amongst other things, upon valid acceptances of the Offers being received by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror and parties acting in concert with him holding more than 50% of the voting rights in the Company.

The total consideration payable under the Offers shall be payable in cash. The Offeror reserves the right to revise the terms of the Offers in accordance with the Takeovers Code.

## **GENERAL**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Offer Document containing, among others, the terms and conditions of the Offers, the forms of acceptance and transfer of the Offer Shares and the Warrants, and form of acceptance and cancellation of the Options to the Shareholders, the Warrantholders and the Optionholders, within 21 days of the date of this announcement. It is expected that such Offer Document will be issued on or before 2 September 2016.

Further announcement(s) regarding the despatch of the Offer Document will be made by the Offeror in due course.

**Shareholders, Warrantholders, Optionholders, and/or potential investors of the Company should be aware that the Offers will be subject to conditions as stated in the paragraph headed “Conditions of the Offers” in this announcement and accordingly, the Offers may or may not become unconditional. The Shareholders, Warrantholders, Optionholders, and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company and if they are in any doubt about their position, they should consult their professional advisers.**

Based on the Company’s publicly available information as at the date of this announcement, trading of Shares has been halted since 1:04 p.m. on 9 August 2016.

## **THE OFFERS**

The Offeror notified the Company on 9 August 2016 (between 12:00 noon and 1:00 p.m.) that he intends to make the Offers (as supplemented by a further notice to the Company in relation to the conditions of the Offers on 12 August 2016) in compliance with the Takeovers Code through Kingston Securities, on and subject to the terms set out in the Offer Document to be despatched to the Shareholders, the Warrantholders and the Optionholders and in the accompanying forms of acceptance and transfer of the Offer Shares and Warrants, and form of acceptance and cancellation of the Options, to acquire all the Offer Shares and Warrants, and to cancel all outstanding Options. As at the date of this announcement, the Offeror and parties acting in concert with him held 88,800,000 Shares, representing approximately 2.16% of the issued share capital of the Company. The Offers will be subject to the fulfillment of the condition as set out in this announcement.

## PRINCIPAL TERMS OF THE OFFERS

Kingston Securities, on behalf of the Offeror, will make the Offers in compliance with the Takeovers Code on the following basis:

### Share Offer:

For each Offer Share . . . . . HK\$0.042 in cash

### Option Offer:

Based on the latest published information of the Company available as at the date of this announcement, there are an aggregate of 287,732,536 Options outstanding, of which (a) 40,053,000 Options were granted on 29 August 2011 with an exercise price of HK\$0.234 each, (b) 85,241,000 Options were granted on 15 April 2014 with an exercise price of HK\$0.253 each, and (c) 162,438,536 Options were granted on 3 September 2014 with an exercise price of HK\$0.360 each. As all the exercise prices for the outstanding Options are higher than the Share Offer Price, i.e. all are out of the money. Hence, the Option Offer will be made on the following terms:

For cancellation of each outstanding Option . . . . . HK\$0.001 in cash

Following the Option Offer becoming unconditional, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

### Warrant Offer:

Based on the latest published information of the Company available as at the date of this announcement, there are an aggregate of 130,000,000 Warrants outstanding entitling the holders thereof to subscribe for a total of 130,000,000 Shares at an exercise price of HK\$0.216 each. As the exercise price of the outstanding Warrants is higher than the Share Offer Price, i.e. all are out of the money. Hence, the Warrant Offer will be made on the following terms:

For each outstanding Warrant . . . . . HK\$0.001 in cash

### Comparison of value

The Share Offer Price of HK\$0.042 per Offer Share represents:

- (i) a discount of approximately 17.65% to the closing price of HK\$0.051 per Share as quoted on the Stock Exchange on 9 August 2016, immediately before the Trading Halt;

- (ii) a discount of approximately 12.50% to the closing price of HK\$0.048 per Share as quoted on the Stock Exchange on 8 August 2016, being the Last Trading Day;
- (iii) a discount of approximately 7.89% to the average closing price of HK\$0.0456 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 3.23% to the average closing price of HK\$0.0434 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 1.64% to the average closing price of HK\$0.0427 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day; and
- (vi) a discount of approximately 22.22% to the audited consolidated net assets per Share of approximately HK\$0.054 as at 31 March 2016, calculated based on the Group's audited consolidated net assets of approximately HK\$222,694,000 as at 31 March 2016 and 4,108,716,000 Shares in issue as at the date of this announcement.

### **Conditions of the Offers**

The Share Offer will be conditional upon:

- a. valid acceptances of the Offers being received by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror and parties acting in concert with him holding more than 50% of the voting rights in the Company;
- b. the Shares remaining listed on the Stock Exchange and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended as at the close of the Offers or upon the Offers becoming unconditional, save for temporary suspension of trading as a result of the Offers; and
- c. no event occurring or having occurred which is an event of default or other event giving any lender to any member of the Group a right to accelerate the repayment of any obligations prior to their stated maturity date arising from any financing documentation to which any member of the Group is a party or by which it is bound and no lender to any member of the Group indicating on or prior to the Closing Date that it will exercise such rights to accelerate repayment or claim an event of default.

The Offeror reserves the right to waive conditions (b) and (c) as set out above.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any condition, other than the condition (a) above, so as to cause the offer to lapse unless the circumstances which give rise to the right to invoke the condition are of material significance to the Offeror in the context of the Offers.

In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Share Offer becomes unconditional as to acceptances and when the Offers become unconditional in all aspects. The Offers must also remain open for acceptance for at least fourteen (14) days after the Offers become unconditional in all aspects.

The Offers will be made in compliance with the Takeovers Code, which is administered by the Executive. Each of the Option Offer and the Warrant Offer will be conditional upon the Share Offer becoming unconditional in all respects.

The Offeror reserves the right to revise the terms of the Offers in accordance with the Takeovers Code.

**The Offers may or may not become unconditional. Shareholders, Warrantholders, Optionholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

### **Highest and lowest Share prices**

During the six-month period preceding and including the Last Trading Day, the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange was HK\$0.078 per Share on 22 February 2016 and HK\$0.033 per Share on 19 July 2016, respectively.

### **Value of the Offers**

As at the date of this announcement, based on the Company's publicly available information, the relevant securities of the Company in issue comprised (i) 4,108,716,000 Shares; (ii) 287,732,536 outstanding Options to subscribe up to 287,732,536 Shares and (iii) 130,000,000 outstanding Warrants to subscribe up to 130,000,000 Shares. Saved as disclosed above, based on the Company's publicly available information, the Company has no other relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

On the basis of the consideration of HK\$0.042 per Offer Share under the Share Offer, the entire issued share capital of the Company as at the Last Trading Day was valued at HK\$172,566,072. On the assumption that: (i) the Share Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 4,019,916,000 Offer Shares; (ii) no Option is exercised prior to the close of the Offers; and (iii) no Warrant is exercised prior to the close of the Offers, the value of the Share Offer and the Warrant Offer are HK\$168,836,472 and HK\$130,000 respectively, and the amount required to satisfy the cancellation of all the outstanding Options is approximately HK\$287,733. In aggregate, the Offers will be valued at approximately HK\$169,254,205.

In the event all of the outstanding Options and Warrants are exercised in full by the Optionholders and Warrantholders respectively prior to the close of the Offers, the Company will have to issue 417,732,536 new Shares, representing approximately 9.23% of the total issued share capital of the Company of 4,526,448,536 Shares, as enlarged by such new Shares. On the assumption that the Share Offer is accepted in full by the holders of the Offer Shares and on the basis that there will be 4,437,648,536 Offer Shares (including all Shares allotted and issued as a result of the exercise of the Options and Warrants), the Offers will be valued at approximately HK\$186,381,239. In this case, no amount will be payable by the Offeror under the Option Offer and the Warrant Offer.

### **Financial resources available to the Offeror**

The total consideration under the Offers (the “**Consideration**”) shall be payable in cash. The Offeror intends to finance the Consideration with a loan facility granted by Kingston Securities. Kingston Corporate Finance and INCU are satisfied that sufficient financial resources are available to the Offeror to satisfy its maximum payment obligations upon full acceptance of the Offers.

### **Effects of accepting the Offers**

By accepting the Offers, the relevant Shareholders will sell their respective Shares to the Offeror at the Share Offer Price free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the date of the Offer Document.

## **Stamp duty**

Seller's ad valorem stamp duty payable by the Shareholders who accept the Offers and calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offers, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Shareholder on acceptance of the Offers. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of the accepting Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offers and the transfer of the Offer Shares.

## **Payment**

Provided that the Offers have become, or have been declared, unconditional in all respects, settlement of the consideration in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days of the date on which (i) the relevant documents of title are received by or on behalf of the Offeror to render each such acceptance complete and valid; and (ii) when the Offers have become or is declared unconditional, whichever is later.

## **Overseas Shareholders**

Shareholders who have registered addresses outside of Hong Kong and wish to accept the Offers should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such Shareholders in respect of such jurisdiction). Such Shareholders who are residents outside of Hong Kong should seek advice from their professional advisers in this regard.

## **INFORMATION ON THE OFFEROR**

The Offeror, Mr. Dong Bo Frederic ("**Mr. Dong**"), aged 50, has extensive management experience in Hong Kong and the PRC for more than 20 years.

Mr. Dong was appointed as an executive director of Success Universe Group Limited (formerly known as China Development Corporation Limited), a company listed on the main board of the Stock Exchange with stock code 487, from 3 January 2001 to 29 October 2001. Mr. Dong had also acted as the executive director and the chairman of the board of China Baoli Technologies Holdings Limited (formerly known as Premium Land Limited), a company listed on the main board of the Stock Exchange with stock code 164, from 26 October 2001 to 8 November 2006.

In addition, from 2002 to 2004, Mr. Dong was a member of the Standing Committee of the Chamber of Hong Kong Listed Companies, which functions as an effective communication channel between listed companies and regulatory authorities in Hong Kong.

## DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

None of the Offeror and parties acting in concert with him had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to 9 August 2016 and up to the date of this announcement, save for the following transactions:

| <b>Date of transactions<br/>on the Stock Exchange</b> | <b>No. of Shares<br/>purchased/<br/>(sold)</b> | <b>Highest<br/>transaction<br/>price<br/>per Share<br/>(HK\$)</b> | <b>Average<br/>transaction<br/>price<br/>per Share<br/>(HK\$)</b> |
|-------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|
| 26 July 2016                                          | 85,140,000                                     | 0.042                                                             | 0.042                                                             |
| 27 July 2016                                          | <u>3,660,000</u>                               | 0.041                                                             | 0.041                                                             |
|                                                       | <u><u>88,800,000</u></u>                       |                                                                   |                                                                   |

## OTHER ARRANGEMENT

As at the date of this announcement,

- (i) save for the 88,800,000 Shares held by the Offeror, none of the Offeror and parties acting in concert with him own, has control, or direction over any voting rights or rights over Shares or convertible securities, warrants, options of the Company or derivatives of the Company;
- (ii) none of the Offeror and parties acting in concert with him has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (iii) there is no outstanding derivatives in respect of securities in the Company which has been entered into by the Offeror or parties acting in concert with him;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Offeror, parties acting in concert with him and the Company which might be material to the Offers;
- (v) there is no agreement or arrangement to which the Offeror or parties acting in concert with him is a party which relates to circumstances in which he/it may or may not invoke or seek to invoke a pre-condition or condition to the Offers; and
- (vi) none of the Offeror nor the parties acting in concert with him has received any irrevocable commitment(s) to accept or reject the Offers.

## **INFORMATION ON THE COMPANY**

Based on the Company's publicly available information as at the date of this announcement, the Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on the GEM (Stock Code: 8269). The Company is an investment holding company and the Group is principally engaged in investment in coal trading business; trading of natural resources and commodities; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; investment in securities; and money lending and secured financing business.

## **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the Offers. The intention of the Offeror is that the Company's existing principal activities will be maintained, and at the same time after completion of the Offers, the Offeror will assist the Company to review its business operations and seek for new investment opportunities.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. Save for the potential change(s) to the composition of the Board, the Offeror has no plan to terminate the employment of any other employees of the Group. However, the Offeror will review the business and operations of the Group and reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

## **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends the issued Shares to remain listed on the Stock Exchange after the close of the Offers.

Pursuant to the GEM Listing Rules, if, at the closing of the Offers, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares.

The Offeror will take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers.

## **GENERAL**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Offer Document containing, among others, the terms and conditions of the Offers, forms of acceptance and transfer of the Offer Shares and the Warrants, and form of acceptance and cancellation of the Options to the Shareholders, the Warrantholders and the Optionholders, within 21 days of the date of this announcement. It is expected that such Offer Document will be issued on or before 2 September 2016.

Further announcement(s) regarding the despatch of the Offer Document will be made by the Offeror in due course.

Based on the Company's publicly available information as at the date of this announcement, trading of Shares has been halted since 1:04 p.m. on 9 August 2016.

## **Dealings disclosure**

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code, including persons holding 5% or more of a class of relevant securities of the Company or the Offeror) of the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

***“Responsibilities of stock brokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules.*

*However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**Shareholders, Warrantholders, Optionholders and/or potential investors of the Company should be aware that the Offers are subject to conditions as stated in the paragraph headed “Conditions of the Offers” in this announcement and accordingly, the Offers may or may not become unconditional. The Shareholders, Warrantholders, Optionholders and/or potential investors of the Company should therefore exercise caution when dealing in the securities of the Company and if they are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

Terms used in this announcement have the following meanings unless the context otherwise defined:

“acting in concert”                      the meaning ascribed to it under the Takeovers Code

“associate(s)”                            the meaning ascribed to it under the Takeovers Code

|                       |                                                                                                                                                                                                                           |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”               | the board of Directors                                                                                                                                                                                                    |
| “Business Day(s)”     | a day on which the Stock Exchange is open for the business of dealing in securities                                                                                                                                       |
| “Closing Date”        | the date to be stated in the Offer Document as the first closing date of the Offers or any subsequent closing date as may be announced by the Offeror and approved by the Executive in accordance with the Takeovers Code |
| “Company”             | Wealth Glory Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8269)                             |
| “Director(s)”         | the director(s) of the Company from time to time                                                                                                                                                                          |
| “Executive”           | the Executive Director of the Corporate Finance Division of the SFC or any of its delegate                                                                                                                                |
| “GEM”                 | the Growth Enterprise Market of the Stock Exchange                                                                                                                                                                        |
| “GEM Listing Rules”   | the Rules Governing the Listing of Securities on GEM                                                                                                                                                                      |
| “Group”               | the Company and its subsidiaries                                                                                                                                                                                          |
| “Hong Kong”           | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                    |
| “INCU”                | INCU Corporate Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the joint financial adviser to the Offeror in respect of the Offers     |
| “Kingston Securities” | Kingston Securities Limited, a corporation licensed by the SFC to carry out business in Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offers on behalf of the Offeror       |

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Kingston Corporate Finance” | Kingston Corporate Finance Limited, a corporation licensed by the SFC to carry out business in Type 6 (advising on corporate finance) regulated activity under the SFO, being the joint financial adviser to the Offeror in respect of the Offers                                                                                                                                                                |
| “Last Trading Day”           | 8 August 2016, being the last full trading day of the Shares on the Stock Exchange before the publication of this announcement                                                                                                                                                                                                                                                                                   |
| “Offers”                     | collectively, the Share Offer, the Option Offer and the Warrant Offer                                                                                                                                                                                                                                                                                                                                            |
| “Offer Document”             | the document to be issued by the Offeror to all Shareholders, Warrantholders and Optionholders in connection with the Offers in accordance with the Takeovers Code containing, among others, information relating to the Offeror, the terms and conditions of the Offers, together with forms of acceptance and transfer of the Offer Shares and Warrants and form of acceptance and cancellation of the Options |
| “Offer Share(s)”             | Share(s) not already owned or agreed to be acquired by the Offeror and parties acting in concert with him                                                                                                                                                                                                                                                                                                        |
| “Offeror”                    | Mr. Dong Bo Frederic                                                                                                                                                                                                                                                                                                                                                                                             |
| “Option(s)”                  | the outstanding option(s) granted by the Company pursuant to the Share Option Scheme                                                                                                                                                                                                                                                                                                                             |
| “Option Offer”               | the offer to be made by Kingston Securities on behalf of the Offeror in compliance with Rule 13 of the Takeovers Code for cancellation of all the outstanding Options in accordance with the terms and conditions set out in this announcement                                                                                                                                                                   |
| “Optionholder(s)”            | the holder(s) of the Options                                                                                                                                                                                                                                                                                                                                                                                     |
| “PRC”                        | the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan                                                                                                                                                                                                                                               |

|                       |                                                                                                                                                                                                                                 |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “SFC”                 | the Securities and Futures Commission of Hong Kong                                                                                                                                                                              |
| “SFO”                 | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)                                                                                                                                                     |
| “Share(s)”            | the ordinary share(s) of HK\$0.01 each in the share capital of the Company                                                                                                                                                      |
| “Shareholder(s)”      | holder(s) of the Share(s)                                                                                                                                                                                                       |
| “Share Offer”         | the voluntary conditional cash offer to be made by Kingston Securities on behalf of the Offeror for all Offer Shares in accordance with the Takeovers Code                                                                      |
| “Share Offer Price”   | the price of HK\$0.042 per Offer Share payable by the Offeror to the Shareholders for each Offer Share tendered under the Share Offer                                                                                           |
| “Share Option Scheme” | the share option scheme adopted by the Company on 26 September 2010, as amended from time to time                                                                                                                               |
| “Stock Exchange”      | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                         |
| “Trading Halt”        | the halt of trading in the Shares effective at 1:04 p.m. on 9 August 2016                                                                                                                                                       |
| “Takeovers Code”      | the Hong Kong Code on Takeovers and Mergers                                                                                                                                                                                     |
| “Warrants”            | the unlisted warrants issued by the Company on 6 September 2013                                                                                                                                                                 |
| “Warrant Offer”       | the offer to be made by Kingston Securities on behalf of the Offeror in compliance with Rule 13 of the Takeovers Code for all the outstanding Warrants in accordance with the terms and conditions set out in this announcement |
| “Warrantholder(s)”    | the registered holder(s) of the Warrants                                                                                                                                                                                        |

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent

**Mr. Dong Bo Frederic**

Hong Kong, 12 August 2016

*The Offeror accepts full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The information relating to the Company in this announcement has been extracted from or based on the published information of the Company, including its annual report for the year ended 31 March 2016 and monthly return for the month ended 31 July 2016. The only responsibility accepted by the Offeror in respect of such information is for the correctness and fairness of its reproduction or presentation.*