The Board is pleased to announce that on 28 June 2017 (after trading hours of the Stock Exchange), (i) the Vendors; (ii) the Purchaser, a non-wholly-owned subsidiary of the Company; (iii) the Company; (iv) Yangjiang Xizhilang; (v) Hebei Xizhilang; and (vi) the Target Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the entire equity interests in the Target Company at the consideration of up to RMB71,000,000 (equivalent to approximately HK$81,579,000).

The Target Company is a company established in the PRC with limited liability and is principally engaged in real estate development and management. The Target Company is currently undertaking the Property Projects known as “百盛城一期” (Baisheng City Phase 1) and “百盛國際廣場” (Baisheng International Plaza) on the Lands located at Yunfu City, Gunagdong Province, the PRC.

Upon completion of the Acquisition, the Target Company will become an indirect non-wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into those of the Group.
LISTING RULES IMPLICATION
As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that completion of the Acquisition is subject to the fulfillment (or, as the case may be, waiver) of the conditions precedent under the Equity Transfer Agreement. The Acquisition may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

THE ACQUISITION
The Board is pleased to announce that on 28 June 2017 (after trading hours of the Stock Exchange), (i) the Vendors; (ii) the Purchaser, a non wholly-owned subsidiary of the Company; (iii) the Company; (iv) Yangjiang Xizhilang; (v) Hebei Xizhilang; and (vi) the Target Company entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the entire equity interests in the Target Company at the consideration of up to RMB71,000,000 (equivalent to approximately HK$81,579,000). Principal terms of the Equity Transfer Agreement are set out below.

EQUITY TRANSFER AGREEMENT
Date: 28 June 2017

Parties:
(i) Vendor A – 李永良 (Li Yongliang*), as vendor;

(ii) Vendor B – 廣東華泰檢測科技有限公司 (Guangdong Huatai Testing Technology Co., Ltd.*), as vendor;

(iii) the Purchaser – 雲浮益華商業發展有限公司 (Yunfu Yihua Commerce Limited*), a non wholly-owned subsidiary of the Company, as purchaser;

(iv) the Company, as the Purchaser’s guarantor;

(v) Yangjiang Xizhilang – 陽江喜之郎果凍製造有限公司 (Yangjiang Xizhilang Jelly Manufacturing Co., Ltd.*), as obligator and the Vendors’ guarantor;
(vi) Hebei Xizhilang – 河北喜之郷食品有限公司 (Hebei Xizhilang Food Co., Ltd*), as obligator and the Vendors’ guarantor; and

(vii) the Target Company – 雲浮市泰瑞百盛房地產開發有限公司 (Yunfu Tairui Baisheng Real Estate Development Co., Ltd*).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) Vendor A is a private investor; (ii) Vendor B is a company established in the PRC with limited liability which is principally engaged in industrial inspection and testing and is owned as to approximately 98.55% and approximately 1.45% by two Independent Third Parties, respectively; (iii) Yangjiang Xizhilang is a company established in the PRC with limited liability which is principally engaged in the production and sales of jelly and beverage and is owned as to approximately 60.5% by Guangdong Xizhilang and approximately 39.5% by an Independent Third Party; and (iv) Hebei Xizhilang is a company established in the PRC with limited liability which is principally engaged in the production and sales of food and beverage and is owned as to 60% by Guangdong Xizhilang and 40% by an Independent Third Party. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Vendors, Yangjiang Xizhilang, Hebei Xizhilang, the Target Company, their respective ultimate beneficial owner (if applicable) and their respective associates is not a connected person of the Company and is an Independent Third Party.

Pursuant to the Equity Transfer Agreement, each of Yangjiang Xizhilang and Hebei Xizhilang has unconditionally and irrevocably agreed to guarantee in favour of the Purchaser the due and punctual performance of the Vendors of all its obligations under the Equity Transfer Agreement and to fully indemnify the Purchaser in respect of any liabilities, loss, damages, costs and expenses that it may have suffered or incurred by reason of or in consequences of any failure of or delay by the Vendors in performing any of its obligations under the Equity Transfer Agreement. Each of the Vendors, Yangjiang Xizhilang, Hebei Xizhilang and the Target Company has also collectively and individually provided certain warranties, representations, undertakings and indemnities in relation to the Target Company and the transactions contemplated under the Equity Transfer Agreement which are customary in similar transactions.

Pursuant to the Equity Transfer Agreement, Vendor A, Vendor B and Yangjiang Xizhilang have also agreed on the repayment schedule of the Outstanding Amount, and the Purchaser and the Company have also agreed to guarantee in favour of Vendor A, Vendor B and Yangjiang Xizhilang the repayment obligations of the Target Company of the Outstanding Amount and the existing bank loan of the Target Company. For details, please refer to the paragraphs headed “Equity Transfer Agreement – Outstanding Amount due from the Target Company to the Vendors and related parties” and “Equity Transfer Agreement – Existing bank loans” in this announcement. The Company has also agreed to guarantee in favour of the Vendors the consideration payment obligations of the Purchaser pursuant to the Equity Transfer Agreement.
Hebei Xizhilang has also agreed under the Equity Transfer Agreement that upon completion of the Acquisition, Hebei Xizhilang shall continue to provide pledge and guarantee for securing the existing bank loan of the Target Company at nil cost. Please refer to the paragraphs headed “Equity Transfer Agreement – Existing bank loans” in this announcement for details.

**Assets to be acquired**

Pursuant to the Equity Transfer Agreement, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the entire equity interests in the Target Company. Information on the Target Company are set out in the paragraphs headed “Information on the Target Company” in this announcement.

**Consideration**

The consideration for the Acquisition is up to RMB71,000,000 (equivalent to approximately HK$81,579,000), which is to be paid by the Purchaser to the Vendors in proportion to their respective shareholdings in the Target Company immediately prior to completion of the Acquisition and which consists of the following components:

(a) RMB9,990,000 (equivalent to approximately HK$11,478,510), being the Target Company’s actual paid-up capital amount contributed by the Vendors (the “Paid-up Capital Amount Portion”);

(b) an amount of up to RMB20,000,000 (equivalent to approximately HK$22,980,000), being the estimated amount to be received by the Target Company (after deducting all relevant costs and expenses incurred or to be incurred by the Target Company) pursuant to an on-going arbitration case (the “Arbitration Case”) between the Target Company and a company whereby the Target Company initiated a claim against the company for breach of contract regarding the termination of a lease agreement for commercial unit(s) under Property Project B (the “Arbitration Case Portion”); and

(c) RMB41,010,000 (equivalent to approximately HK$47,120,490), being the estimated proceeds to be received by the Target Company pursuant to the sale of the commercial units under Property Project A (the “Property Project A Commercial Units Portion”).

The Paid-up Capital Amount Portion shall be paid by the Purchaser to the Vendors in cash within 5 Business Days after all approvals and business registration procedures in relation to the transfer of the equity interests in the Target Company having been obtained and completed, and all documents relating to the Target Company having been passed to the Purchaser.
The Arbitration Case Portion shall be paid by the Purchaser to the Vendors in cash on (i) the last Business Day of the 24th month from the date of completion of the Acquisition or (ii) the date of receipt by the Target Company of the final settlement amount pursuant to the Arbitration Case, whichever is later. The parties to the Equity Transfer Agreement have also agreed that the Arbitration Case Portion in any event shall not be more than RMB20,000,000 (equivalent to approximately HK$22,980,000), i.e. if the final settlement amount received by the Target Company pursuant to the Arbitration Case (after deducting all relevant costs and expenses incurred or to be incurred by the Target Company) is less than RMB20,000,000, the Arbitration Case Portion to be paid by the Purchaser to the Vendors shall be an amount equivalent to the final settlement amount received by the Target Company pursuant to the Arbitration Case (after deducting all relevant costs and expenses incurred or to be incurred by the Target Company), and, on the other hand, if the final settlement amount received by the Target Company pursuant to the Arbitration Case (after deducting all relevant costs incurred or to be incurred by the Target Company) is more than RMB20,000,000, the Arbitration Case Portion to be paid by the Purchaser to the Vendors shall be RMB20,000,000. For the avoidance of doubt, if the Target Company did not receive any amount or compensation pursuant to the Arbitration Case, the Arbitration Case Portion shall be treated as zero. Interests shall also be accrued on the Arbitration Case Portion from the date of receipt by the Target Company of the final settlement amount pursuant to the Arbitration Case at the then interest rate announced by the Bank of China, which shall be paid quarterly on the last Business Day of the last month of each quarter.

The Property Project A Commercial Units Portion shall be paid by the Purchaser to the Vendors in cash on the last Business Day of the 24th month commencing from the date of completion of the Acquisition. Interests shall also be accrued on the Property Project A Commercial Units Portion from the date of completion of the Acquisition at the then interest rate announced by the Bank of China, which shall be paid quarterly on the last Business Day of the last month of each quarter.

If the Purchaser defaults in paying the consideration in accordance with the terms of the Equity Transfer Agreement, the Purchaser shall pay an amount to be calculated on the basis of 0.05% per day of default to the Vendors as liquidated damages.

The consideration was arrived at after arm’s length negotiation between the Purchaser and the Vendors and was determined with reference to (i) the Target Company’s actual paid-up capital amount contributed by the Vendors; (ii) the estimated amount to be received by the Target Company (after deducting all relevant costs incurred or to be incurred by the Target Company) pursuant to the Arbitration Case; and (iii) the estimated proceeds to be received by the Target Company pursuant to the sale of the commercial units under Property Project A.
Conditions precedent

Completion of the Acquisition is conditional upon fulfillment (or, as the case may be, waiver by the Purchaser) of the following conditions precedent:

(a) the Purchaser being satisfied with the results of the due diligence review on all the assets (including but not limited all relevant licences and documents relating to land use rights and property ownership rights) and affairs (including but not limited to legal and financial affairs etc.) of the Target Company;

(b) (if necessary) the passing by the Shareholders (other than those who are required to abstain from voting in accordance with the Listing Rules or other applicable laws and regulations) at an extraordinary general meeting of the Company of ordinary resolution(s) to approve the Equity Transfer Agreement and the transactions contemplated thereunder;

(c) the representations, warranties and undertakings given by the Vendors, Yangjiang Xizhilang, Hebei Xizhilang, and the Target Company under the Equity Transfer Agreement remain true, accurate, complete and not misleading, and there being no situations, facts or circumstances that would or might render such representations, warranties and undertakings being breached;

(d) the obtaining of the audited financial statements of the Target Company (in the form and substance satisfactory to the Purchaser) issued by the auditors appointed by the Purchaser (or the Company);

(e) the obtaining of a PRC legal opinion (in the form and substance satisfactory to the Purchaser) issued by a PRC legal adviser appointed by the Purchaser (or the Company) on the Target Company and the transactions contemplated under the Equity Transfer Agreement;

(f) there being no material adverse change on the Target Company or the equity interests of the Target Company since the date of the Equity Transfer Agreement, and there being no facts or circumstances that might cause a material adverse change on the Target Company or the equity interests of the Target Company;

(g) all necessary consents and approvals required to be obtained on the part of the Vendors, Yangjiang Xizhilang and Hebei Xizhilang in respect of the Equity Transfer Agreement and the transactions contemplated thereunder having been obtained; and

(h) all necessary consents and approvals required to be obtained on the part of the Purchaser and the Company in respect of the Equity Transfer Agreement and the transactions contemplated thereunder having been obtained.
The Purchaser shall have the right to waive the conditions precedent set out in paragraphs (a), (c), (d), (e) and (f) above. Other conditions precedent are not waivable.

If any of the conditions precedent has not been fulfilled (or, as the case may be, waived by the Purchaser) within 3 months after the signing of the Equity Transfer Agreement, unless otherwise agreed by the parties to the Equity Transfer Agreement, the Purchaser shall have the right to terminate the Equity Transfer Agreement by giving notice of termination in writing to other parties to such effect, in which event the Equity Transfer Agreement shall cease and determine (save and except those provisions dealing with guarantee given by Yangjiang Xizhilang and Hebei Xizhilang, notices, liabilities for breach of contract, termination, governing law and jurisdiction and fees which shall continue to have full force and effect) in which event neither party thereto shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion of the Acquisition

The parties to the Equity Transfer Agreement shall use their respective endeavours to procure that all approvals and business registration procedures in relation to the transfer of the equity interests in the Target Company as contemplated under the Equity Transfer Agreement be obtained or completed within 10 Business Days after fulfillment (or, as the case may be, waiver by the Purchaser) of all of the conditions precedent to completion of the Acquisition (or such other period as may be agreed by the Purchaser and the Vendor in writing). Completion of the Acquisition shall take place on the date on which all the aforesaid approvals and business registration procedures having been obtained or completed, and all documents relating to the Target Company having been passed to the Purchaser.

If (i) all approvals and business registration procedures in relation to the transfer of the equity interests in the Target Company are not obtained or completed within 10 Business Days after fulfillment (or, as the case may be, waiver by the Purchaser) of all of the conditions precedent to completion of the Acquisition (or such other period as may be agreed by the Purchaser and the Vendor in writing); (ii) all the conditions precedent to completion of the Acquisition have been fulfilled (or, as the case may be, waived by the Purchaser), but completion of the Acquisition does not take place; or (iii) completion of the Acquisition as contemplated under the Equity Transfer Agreement is seriously affected, the Purchaser shall have the right to terminate the Equity Transfer Agreement by giving notice of termination in writing to other parties to such effect, in which event the Equity Transfer Agreement shall cease and determine (save and except those provisions dealing with guarantee given by Yangjiang Xizhilang and Hebei Xizhilang, notices, liabilities for breach of contract, termination, governing law and jurisdiction and fees which shall continue to have full force and effect) and neither party thereto shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.
In addition, if, by reasons of the Vendors, (i) all approvals and business registration procedures in relation to the transfer of the equity interests in the Target Company are not obtained or completed within the prescribed timeframe as stated in the Equity Transfer Agreement; (ii) all the conditions precedent to completion of the Acquisition have been fulfilled (or, as the case may be, waived by the Purchaser), but completion of the Acquisition does not take place; or (iii) completion of the Acquisition as contemplated under the Equity Transfer Agreement is seriously affected, the Vendors shall also indemnity the Purchaser for any loss that it may suffer as a result.

On the other hand, if all the conditions precedent to completion of the Acquisition have been fulfilled (or, as the case may be, waived by the Purchaser) but by reasons of the Purchaser, completion of the Acquisition does not take place, the Purchaser shall indemnify the Vendors for any loss that they may suffer as a result.

Upon completion of the Acquisition, the Target Company will become a non wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into those of the Group.

**Outstanding Amount due from the Target Company to the Vendors and related parties**

As at the date of the Equity Transfer Agreement, the Outstanding Amount (which consist of dividends payable, loan principal and interest, and advances paid on behalf of the Target Company) due from the Target Company to Vendor A, Vendor B and Yangjiang Xizhilang amounted to approximately RMB20,081,000, RMB18,794,000 and RMB135,655,000, respectively.

Pursuant to the Equity Transfer Agreement, the Outstanding Amount shall be repaid by the Target Company to Vendor A, Vendor B and Yangjiang Xizhilang in accordance with the following repayment schedule:

(i) during the first year after completion of the Acquisition, the Target Company shall pay to Vendor A, Vendor B and Yangjiang Xizhilang approximately RMB2,510,000, RMB2,349,000 and RMB16,957,000 respectively per quarter on the last Business Day of the last month of each quarter, amounting to a total of approximately RMB10,040,500, RMB9,397,000 and RMB67,827,500 to be repaid by the Target Company to Vendor A, Vendor B and Yangjiang Xizhilang respectively during the first year after completion of the Acquisition; and

(ii) during the second year after completion of the Acquisition, the Target Company shall pay to Vendor A, Vendor B and Yangjiang Xizhilang approximately RMB2,510,000, RMB2,349,000 and RMB16,957,000 respectively per quarter on the last Business Day of the last month of each quarter, amounting to a total of approximately RMB10,040,500, RMB9,397,000 and RMB67,827,500 to be repaid by the Target Company to Vendor A, Vendor B and Yangjiang Xizhilang respectively during the second year after completion of the Acquisition.
Interests shall also be accrued on the Outstanding Amount due from the Target Company to Yangjiang Xizhilang from the date of completion of the Acquisition at the interest rate announced by the Bank of China for the relevant period, which shall also be paid quarterly on the last Business Day of the last month of each quarter.

If the Target Company defaults in repaying the Outstanding Amount in accordance with the terms of the Equity Transfer Agreement, the Target Company shall pay an amount to be calculated on the basis of 0.05% per day of default to Vendor A, Vendor B and/or Yangjiang Xizhilang (as the case may be) as liquidated damages.

Pursuant to the Equity Transfer Agreement, the Purchaser and the Company have also agreed to guarantee in favour of Vendor A, Vendor B and Yangjiang Xizhilang the repayment obligations of the Target Company of the Outstanding Amount.

Existing bank loans

As at the date of the Equity Transfer Agreement, the Target Company has an existing bank loan in the amount of RMB39,800,000, which shall be due in January 2018. The aforesaid bank loan is secured by a pledge and guarantee provided by Hebei Xizhilang in favour of the bank, pursuant to which Hebei Xizhilang has pledged its certificate of deposit in the amount of RMB40,000,000 to the bank for securing the aforesaid bank loan of the Target Company.

Pursuant to the Equity Transfer Agreement, Hebei Xizhilang has agreed that upon completion of the Acquisition, Hebei Xizhilang shall continue to provide the aforementioned pledge and guarantee for securing the existing bank loan of the Target Company at nil cost. The Target Company shall procure the repayment of the existing bank loan prior to its due date such that the aforementioned pledge and guarantee given by Hebei Xizhilang could be released. If the Target Company could not repay the existing bank loan before its due date, the Target Company shall negotiate with the bank with a view of replacing the pledge and guarantee given by Hebei Xizhilang with other securities. If the Target Company defaults in repaying the existing bank loan, and the security given by Hebei Xizhilang is enforced by the bank as a result, causing losses to Hebei Xizhilang, the Target Company shall pay an amount to be calculated on the basis of 0.05% of the loss suffered by Hebei Xizhilang per day of default to Hebei Xizhilang as liquidated damages.

Pursuant to the Equity Transfer Agreement, the Purchaser and the Company have also agreed to guarantee in favour of Hebei Xizhilang the repayment obligations of the Target Company of the aforementioned existing bank loan of the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and is principally engaged in real estate development and management.
The Target Company is currently undertaking the two Property Projects, namely “百盛城一期” (Baisheng City Phase 1*) and “百盛國際廣場” (Baisheng International Plaza*) on the Lands located at Yunfu City, Gunagdong Province, the PRC.

Property Project A – “百盛城一期” (Baisheng City Phase 1*) is a commercial and residential development project located on Land A which consists of six buildings with a total construction area of approximately 78,481 m², offering (i) a total of 484 residential units with construction area ranging from approximately 106 m² to approximately 257 m²; (ii) a total of 44 commercial units with construction area ranging from approximately 41 m² to approximately 210 m²; and (iii) a total of 246 car parking lots for sale. As at 30 April 2017, 483 residential units, 11 commercial units and 136 car parking lots under Property Project A had already been sold, and the total sales proceeds from which amounted to approximately RMB420,885,000, representing the average price of approximately RMB6,040 per square metre for the residential units, approximately RMB11,255 per square metre for the commercial units and approximately RMB184,147 per car parking lots.

Property Project B – “百盛國際廣場” (Baisheng International Plaza*) is a commercial and residential development project located on Land B which consists of three buildings with a total construction area of approximately 90,726 m², two of the buildings are residential buildings while the remaining one is a building consists of residential apartments, shopping complex and car parking lots. The two residential buildings under Property Project B offer a total of 184 residential units with construction area ranging from approximately 94 m² to approximately 127 m², of which 46 residential units are resettlement housing and 138 residential units are offered for sale. As at 30 April 2017, all the residential units offered for sale under the two residential buildings of Property Project B had already been sold. The building which consists of residential apartments, shopping complex and car parking lot under Property Project B are still under construction and selling prices for such residential apartments, commercial units and car parking lots are yet to be fixed. It is expected that upon completion of construction of the building, a total of 560 residential apartments with construction area ranging from approximately 34 m² to approximately 91 m², a total construction area of approximately 5,500 m² and 326 car parking lots will be offered for sale, and shopping complex with a total gross floor area of approximately 17,236 m² will be available for operation.
The following table summarises the audited financial results of the Target Company prepared in accordance with the generally accepted accounting principles in the PRC for each of the two financial years ended 31 December 2016:

<table>
<thead>
<tr>
<th></th>
<th>For the year ended 31 December 2015 (audited) (RMB’000)</th>
<th>For the year ended 31 December 2016 (audited) (RMB’000)</th>
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<tr>
<td>Net profit before taxation and extraordinary items</td>
<td>30,154</td>
<td>18,109</td>
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<tr>
<td>Net profit after taxation and extraordinary items</td>
<td>26,226</td>
<td>11,899</td>
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</table>

According to the audited financial statements of the Target Company for the four months ended 30 April 2017, the total assets of the Target Company was approximately RMB359,035,000 (equivalent to approximately HK$412,531,000) as at 30 April 2017, and the net assets value of the Target Company was approximately RMB9,990,000 (equivalent to approximately HK$11,478,510) as at 30 April 2017.

**REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the operation of department stores, which also includes operation of supermarkets, and electrical appliances stores, as well as property investment and property development, in the PRC.

As the Vendors primarily focus on real estate development and do not have expertise in the operation of the shopping complex, the Vendors negotiated with the Group for the Acquisition with the view of introducing the Group to operate department stores at the shopping complex under Property Project B on one hand, and realising their investment in the Target Company on the other hand.

The Directors are of the view that the Acquisition represents a rare opportunity for the Group to further expand its property investment business so as to broaden its sources of income, aiming at materialise profit and return for the Group and the Shareholders. It also represents an excellent opportunity for the Group to further expand its department store business in Yunfu City, Guangdong Province, the PRC. As mentioned in the paragraphs headed “Information on the Target Company” in this announcement, upon completion of construction, Property Project B – “百盛国际广场” (Baisheng International Plaza®) shall consists of, among other things, a shopping complex with a total gross floor area of approximately 17,236 m², and it is the intention of the Company to operate a department store at the shopping complex. It is currently estimated that the proceeds from the remaining residential units, residential apartments, commercial units and car parking lots under the Property Projects will be sufficient for the repayment of
the Outstanding Amount and other loans and liabilities of the Target Company, as well as the construction and development costs for the department stores at the shopping complex. The Directors consider the Acquisition, if materialised, will also bring synergistic benefits to the Group and will enhance its strategic positioning in Yunfu City, Guangdong Province, the PRC.

Taking into account the aforesaid, the Directors are of the opinion that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable, and the entering into of the Equity Transfer Agreement is in the interests of the Company and the Shareholders as whole.

LISTING RULES IMPLICATION
As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that completion of the Acquisition is subject to the fulfillment (or, as the case may be, waiver) of the conditions precedent under the Equity Transfer Agreement. The Acquisition may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

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

“Acquisition” the proposed acquisition of the entire equity interests in the Target Company by the Purchaser from the Vendors in accordance with the terms and conditions of the Equity Transfer Agreement

“associate(s)” has the meaning ascribed to it under the Listing Rules

“Board” the board of Directors

“Business Day(s)” a day other than statutory holiday or rest day in the PRC

“Company” Yi Hua Holdings Limited (益華控股有限公司), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“connected person(s)” has the meaning ascribed to it under the Listing Rules

“Director(s)” the director(s) of the Company

“Equity Transfer Agreement” the conditional equity transfer agreement dated 28 June 2017 and entered into among (i) the Vendors; (ii) the Purchaser; (iii) the Company; (iv) Yangjiang Xizhilang; (v) Hebei Xizhilang; and (vi) the Target Company in relation to the Acquisition

“Group” the Company and its subsidiaries

“Guangdong Xizhilang” 廣東喜之郎集團有限公司 (Guangdong Xizhilang Group Co., Ltd.), a company established in the PRC with limited liability which is owned as to 15% by Vendor A, and 40% and 30% and 15% by another three Independent Third Parties, respectively

“Hebei Xizhilang” 河北喜之郎食品有限公司 (Hebei Xizhilang Food Co., Ltd.), a company established in the PRC with limited liability which is owned as to 60% by Guangdong Xizhilang and 40% by an Independent Third Party

“Hong Kong” the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)” third party(ies) independent of the Company and its connected persons

“Land A” the land parcels located at 中国广东省雲浮市府前路 (Fuqian Road, Yunfu City, Guangdong Province, the PRC) with a total area of approximately 16,600 m² (State-owned Land Use Rights Certificate 雲府國用 (2012) 第000211号 (Yun Fu Guo Yong (2012) No. 000211*) and Immovable Property Rights Certificate 粤 (2017) 雲浮市不動產權第國用 000002號 (Yue (2017) Yunfu City Immovable Property Guo Yong No. 000002*))
“Land B” the land parcels located at 中國廣東省雲浮市雲城區 建設北路與興雲東路交匯處 (Jianshe North Road and Xingyun East Road Interchange, Yuncheng Area, Yunfu City, Gunagdong Province, the PRC) with a total area of approximately 12,225 m² (Immovable Property Rights Certificate 粤 (2016) 雲浮市不動產權第國用 000415 號 (Yue (2016) Yunfu City Immovable Property Guo Yong No. 000415*))

“Lands” collectively, Land A and Land B

“Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange

“Outstanding Amount” the amount due from the Target Company to Vendor A, Vendor B and Yangjiang Xizhilang as at the date of the Equity Transfer Agreement, and the Outstanding Amount due to Vendor A (which consists of dividends payable), Vendor B (which consists of loan principal, advances paid on behalf of the Target Company and dividends payable) and Yangjiang Xizhilang (which consists of loan principal and interest) amounted to approximately RMB20,081,000, RMB18,794,000 and RMB135,655,000, respectively

“PRC” the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Property Project A” the property development project known as “百盛城一 期” (Baisheng City Phase 1) located at Land A, details of which are set out in the paragraphs headed “Information on the Target Company” in this announcement

“Property Project B” the property development project known as “百盛國際 廣場” (Baisheng International Plaza) located at Land B, details of which are set out in the paragraphs headed “Information on the Target Company” in this announcement

“Property Projects” collectively, Property Project A and Property Project B
“Purchaser” 雲浮益華商業發展有限公司 (Yunfu Yihua Commerce Limited*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company which is wholly-owned by 廣東益華商業發展有限公司 (Guangdong Yihua Commerce Limited*), a company incorporated in the PRC with limited liability, which in turn is wholly-owned by Yihua Wanguo Commercial Technology Limited (益華萬果商業科技有限公司), a company incorporated in Hong Kong with limited liability. Yihua Wanguo Commercial Technology Limited (益華萬果商業科技有限公司) is owned as to 70% by the Company and as to 30% by Yitailihua Investment Group (Hong Kong) Limited (香港益泰利華投資集團有限公司), a company incorporated in Hong Kong with limited liability which is wholly-owned by 中山益泰利華投資有限公司 (Zhongshan Yitailihua Investment Limited*), which in turn is owned as to 40%, 25%, 25% and 10% by 4 individuals who are Independent Third Parties, respectively

“Share(s)” ordinary share(s) of HK$0.01 each in the share capital of the Company

“Shareholder(s)” holder(s) of issued Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Target Company” 雲浮市泰瑞百盛房地產開發有限公司 (Yunfu Tairui Baisheng Real Estate Development Co., Ltd.*), a company established in the PRC with limited liability which, as at the date of this announcement, is owned as to 75% by Vendor A and 25% by Vendor B

“Vendor A” 李永良 (Li Yongliang*), being a shareholder holding 75% of the equity interests in the Target Company as at the date of this announcement

“Vendor B” 廣東華泰檢測科技有限公司 (Guangdong Huatai Testing Technology Co., Ltd.*), a company established in the PRC with limited liability, being a shareholder holding 25% of the equity interests in the Target Company as at the date of this announcement
“Vendors” collectively, Vendor A and Vendor B

“Yangjiang Xizhilang” 阳江喜之郎果凍製造有限公司 (Yangjiang Xizhilang Jelly Manufacturing Co., Ltd.*), a company established in the PRC with limited liability which is owned as to approximately 60.5% by Guangdong Xizhilang and approximately 39.5% by an Independent Third Party

“HK$” Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“m²” square metre

The English translation of the Chinese names in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English names of such Chinese names.

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK$ is calculated at the approximate exchange rate of RMB1.00 to HK$1.149. This exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

By Order of the Board
Yi Hua Holdings Limited
Fan Xinpei
Chief Executive Officer and Executive Director

Hong Kong, 28 June 2017

As at the date of this announcement, the executive Directors are Mr. Chen Jianren, Mr. Fan Xinpei, Mr. Su Weibing, Mr. Lin Guangzheng, Mr. Chen Zhengtao and Mr. Leung Wai Kwan; the non-executive Director is Mr. Chen Daren; and the independent non-executive Directors are Mr. Sun Hong, Mr. Xu Yinzhou, Ms. Hung Wan Fong, Joanne and Ms. Lai Pou Lam, Mina.