

**Asset Acquisitions and Disposals::Announcement on Disposal of Shareholdings in City e-Solutions Limited**

**Issuer & Securities**

|                         |  |
|-------------------------|--|
| <b>Issuer/ Manager</b>  | CITY DEVELOPMENTS LIMITED                      |
| <b>Securities</b>       | CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09 |
| <b>Stapled Security</b> | No   |

**Announcement Details**

|  |  |
|--|--|
| <b>Announcement Title</b>  | Asset Acquisitions and Disposals   |
| <b>Date &amp; Time of Broadcast</b>  | 22-Jul-2016 20:03:04   |
| <b>Status</b>  | New  |
| <b>Announcement Sub Title</b>  | Announcement on Disposal of Shareholdings in City e-Solutions Limited  |
| <b>Announcement Reference</b>  | SG160722OTHRILKF   |
| <b>Submitted By (Co./ Ind. Name)</b>   | Enid Ling Peek Fong  |
| <b>Designation</b>   | Company Secretary  |
| <b>Description (Please provide a detailed description of the event in the box below)</b> | Please refer to the attached announcement relating to the Disposal of Shareholdings in City e-Solutions Limited. |

|                    |  |
|--------------------|--|
| <b>Attachments</b> | <p><a href="#">CDL-Annc of SPA of CES shares.pdf</a></p> <p>Total size =267K</p> |
|--------------------|--|

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**DISPOSAL OF SHAREHOLDINGS IN CITY E-SOLUTIONS LIMITED**

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The Board of Directors of City Developments Limited (the “**Company**” or “**CDL**”), wishes to announce that further to CDL’s announcements on 15 April 2016, 29 April 2016, 27 May 2016, 10 June 2016 and 8 July 2016, the wholly-owned subsidiaries of the Company, namely, eMpire Investments Limited, Citydev Investments Pte. Ltd. and Educado Company Limited (collectively, the “**Vendors**”), had on 19 July 2016 (after trading hours) entered into a Share Purchase Agreement (“**SPA**”) with China Tian Yuan Manganese Limited (the “**Purchaser**”), an independent unrelated third party, for the disposal by the Vendors to the Purchaser of an aggregate shareholding of 200,854,743 shares in City e-Solutions Limited (“**CES**”), representing approximately 52.52% of the entire issued shares of CES (“**Sale Shares**”). CES is a company listed on The Stock Exchange of Hong Kong Limited. Glades Properties Pte. Ltd., another wholly-owned subsidiary of the Company, is also a party to the SPA as covenantor, having agreed to guarantee the performance of the Vendors of certain of their obligations under the SPA.

The total consideration for the Sale Shares of HK\$566.4 million (approximately S\$98.2 million), equivalent to HK\$2.82 per Sale Share, was agreed between the Purchaser and the Vendors after arm’s length negotiations and is receivable in cash by the Vendors upon completion of the sale and acquisition of the Sale Shares (the “**Completion**”). The sale consideration for each Sale Share represents (i) a premium of approximately 119% over the audited consolidated net asset value attributable to the shareholders of CES of approximately HK\$1.2867 per CES share as at 31 December 2015, the date to which the latest audited financial results of the CES group were made up; and (ii) a premium of approximately 4% over the volume weighted average price of HK\$2.7038 per CES share as quoted on The Stock Exchange of Hong Kong Limited on 18 July 2016, being the market day preceding the date of the SPA.

The Completion is subject to the fulfilment or waiver thereof as appropriate of the conditions precedent as set out in the SPA, which include *inter alia*, obtaining all necessary governmental and/or regulatory approvals required to complete the sale and purchase of the Sale Shares. Following the Completion, CDL will cease to have any shareholding interests in the issued share capital of CES and will also cease as the controlling and substantial shareholder of CES. The Company will make further announcement to inform shareholders upon the Completion.

The disposal of the Sale Shares is not expected to have any material impact on the net tangible assets or earnings of the CDL Group for the financial year ending 31 December 2016.

None of the Directors or the controlling shareholder of CDL has any interest, direct or indirect, in the disposal of the Sale Shares.

Pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers, subject to Completion, the Purchaser will be required to make a mandatory unconditional cash offer for all the issued shares in CES (other than those already owned and/or agreed to be acquired by the Purchaser and/or parties acting in concert with it) (the “**Offer**”).

Further details on the sale and acquisition of the Sale Shares, including information on the conditions precedent for Completion, and the potential Offer are set out in the Joint Announcement issued by China Tian Yuan Manganese Limited and CES on 22 July 2016, a copy of which is attached to this Announcement.

By Order of the Board

Shufen Loh @ Catherine Shufen Loh  
Enid Ling Peek Fong  
Company Secretaries  
Date: 22 July 2016

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*This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



**CHINA TIAN YUAN  
MANGANESE LIMITED**  
*(Incorporated in the Cayman Islands  
with limited liability)*

**City e-Solutions Limited**  
*(Incorporated in the Cayman Islands  
with limited liability)*  
**(Stock Code: 557)**

## **JOINT ANNOUNCEMENT**

**(1) ACQUISITION OF SHARES IN CITY E-SOLUTIONS LIMITED BY  
CHINA TIAN YUAN MANGANESE LIMITED**

**(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY  
PRUDENTIAL BROKERAGE LIMITED  
FOR AND ON BEHALF OF CHINA TIAN YUAN MANGANESE LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF  
CITY E-SOLUTIONS LIMITED  
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE  
ACQUIRED BY CHINA TIAN YUAN MANGANESE LIMITED AND/OR  
PARTIES ACTING IN CONCERT WITH IT)**

**(3) RESUMPTION OF TRADING IN THE SHARES**

**Financial adviser to China Tian Yuan Manganese Limited**



## **THE SHARE PURCHASE AGREEMENT**

The Company was informed by the Vendors that, on 19 July 2016 (after trading hours), the Vendors and the Offeror entered into the Share Purchase Agreement, pursuant to which the Offeror agreed to acquire and the Vendors agreed to sell the Sale Shares, being 200,854,743 Shares, representing approximately 52.52% of the entire issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$566,410,375.26, equivalent to HK\$2.82 per Sale Share, which was agreed between the Offeror and the Vendors after arm's length negotiations. Completion shall take place on the Completion Date.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company. Immediately after Completion, the Offeror and parties acting in concert with it will own a total of 200,854,743 Shares, representing approximately 52.52% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, subject to Completion, the Offeror will be required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it).

As at the date of this joint announcement, the Company has 382,449,524 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Subject to Completion, Prudential Brokerage, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share ..... HK\$2.82 in cash

The Offer Price of HK\$2.82 per Offer Share is equal to the purchase price per Sale Share payable by the Offeror under the Share Purchase Agreement.

The principal terms of the Offer are set out under the section headed “POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER” below in this joint announcement.

The Offeror shall finance and satisfy the consideration payable under the Share Purchase Agreement with its internal resources. The Offeror intends to finance and satisfy the consideration payable under the Offer with the Facility.

Octal Capital has been appointed as the financial adviser to the Offeror in respect of the Offer. Octal Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for the full acceptance of the Offer.

#### **INDEPENDENT BOARD COMMITTEE OF THE COMPANY**

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all non-executive Directors (other than Mr. Chan Bernard Charnwut and Mr. Ronald Nathaniel Issen who are related to CDL and therefore excluded from the Independent Board Committee as further explained in the section headed “INDEPENDENT BOARD COMMITTEE OF THE COMPANY” below in this joint announcement), has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer. The appointment of the independent financial adviser is subject to the approval of the Independent Board Committee. A further announcement will be made when the independent financial adviser to the Independent Board Committee is appointed.

#### **COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve.

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in

relation to the Offer, together with the Form of Acceptance, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code, within 21 days from the date of this joint announcement or such later date as the Executive may approve. The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer, before deciding whether or not to accept the Offer.

### **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 20 July 2016 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 July 2016.

### **WARNING**

**The making of the Offer is subject to Completion taking place, which in turn is conditional on the fulfillment of the conditions precedent or waiver thereof as appropriate. Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

Reference is made to the announcements of the Company dated 15 April 2016, 29 April 2016, 27 May 2016, 10 June 2016 and 8 July 2016 in relation to, among other things, the possible sale by the Vendors of their shareholding interest in the Company. The Company has been informed that on 19 July 2016 (after trading hours), the Vendors and the Offeror entered into the Share Purchase Agreement. Details of the Share Purchase Agreement are set out below.

## SHARE PURCHASE AGREEMENT

**Date:** 19 July 2016

**Parties:**

**Vendors:**

- (a) Citydev Investments Pte. Ltd., a company incorporated in the Republic of Singapore, holding legally and beneficially 2,403,221 Shares, representing approximately 0.63% of the entire issued share capital of the Company as at the date of this joint announcement
- (b) Educado Company Limited, a company incorporated in Hong Kong, holding legally and beneficially 7,927,703 Shares, representing approximately 2.07% of the entire issued share capital of the Company as at the date of this joint announcement
- (c) eMpire Investments Limited, a company incorporated in Bermuda, holding legally and beneficially 190,523,819 Shares, representing approximately 49.82% of the entire issued share capital of the Company as at the date of this joint announcement

**Purchaser:** China Tian Yuan Manganese Limited, being the Offeror

**Covenantor:** Glades Properties Pte. Ltd.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them are third parties independent of and not connected with the Company and the Company's connected persons.

Glades Properties Pte. Ltd., a wholly-owned subsidiary of CDL, the controlling shareholder of the Vendors as at the date of this joint announcement, had agreed to guarantee the performance by the Vendors of certain of their obligations under the Share Purchase Agreement.

## **Subject of the Share Purchase Agreement**

Pursuant to the Share Purchase Agreement, the Vendors have conditionally agreed to sell collectively and the Offeror has conditionally agreed to purchase the Sale Shares, being 200,854,743 Shares, representing approximately 52.52% of the entire issued share capital of the Company as at the date of this joint announcement, free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date of the Share Purchase Agreement.

## **Consideration for the Sale Shares**

The total consideration for the Sale Shares is HK\$566,410,375.26 (representing HK\$2.82 per Sale Share) which was agreed between the Offeror and the Vendors after arm's length negotiations and is payable in cash by the Offeror upon Completion.

## **Conditions**

Completion is subject to the following conditions having been fulfilled or waived as appropriate:

- (a) the listing and trading of the Shares having been resumed following the clearance by the Stock Exchange and the SFC of the announcement concerning, among other matters, the subject matter of the Share Purchase Agreement and the transactions contemplated thereunder and its publication, and the Shares remaining so listed and traded on the Completion Date (save for the suspension of trading of the Shares for no more than 10 Stock Exchange trading days or in connection with the aforementioned clearance), and no indication being received on or before the Completion Date from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Main Board of the Stock Exchange will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of Completion or in connection with the terms of or any transaction contemplated by the Share Purchase Agreement;
- (b) the Offeror having obtained all necessary governmental and/or regulatory approvals required to complete the sale and purchase of the Sale Shares;
- (c) the Vendors having obtained the board approvals to approve the execution of the Share Purchase Agreement, the transactions contemplated thereunder and all necessary governmental and/or regulatory approvals required to complete the sale and purchase of the Sale Shares;



- (d) save as to the consents in relation to the Burlington Transfer, the Company having obtained all necessary approvals required to enable the Vendors to complete the sale and purchase of the Sale Shares, including all necessary third party consents;
- (e) the warranties, representations and undertakings given by the Vendors and the Covenantor remaining true and accurate in all material respects on the date of the Share Purchase Agreement and at Completion, as if repeated at Completion, and no material adverse effect having occurred between the date of the Share Purchase Agreement and Completion;
- (f) other than the Vendors' post-Completion obligations, the Vendors having performed all their respective undertakings and agreements pursuant to the Share Purchase Agreement;
- (g) no order or judgment (whether temporary, preliminary or permanent) of any relevant governmental authority pursuant to the Share Purchase Agreement having been issued or made prior to Completion which has the effect of making unlawful or otherwise prohibiting or restricting or limiting the transfer of the Sale Shares to the Offeror (or its associates), or any transaction contemplated by the Share Purchase Agreement; and
- (h) save as to the consents in relation to the Burlington Transfer, the Vendors having obtained all necessary approvals, consents or waivers, including all necessary third party consents in relation to the change of control contemplated under the Share Purchase Agreement, under any agreements to which any members of the Group is a party.

The Vendors and the Offeror shall collectively procure the fulfillment of condition (a), the Vendors shall procure the fulfilment of conditions (c) to (h) and the Offeror shall procure the fulfilment of condition (b), on or before the Long Stop Date. The Offeror may at its absolute discretion at any time waive in writing conditions (c) to (h) above either in whole or in part. The Vendors may at their absolute discretion at any time waive in writing condition (b) above. The Vendors, the Offeror and the Covenantor may collectively waive in writing condition (a) above.

If all the above conditions have been satisfied but the Offeror fails to fulfill its obligation upon Completion pursuant to the terms of the Share Purchase Agreement, or if the Offeror fails to procure fulfilment of condition (b) above on or before the Long Stop Date, the Vendors shall have the right to forfeit the Deposit, and upon such forfeiture of the Deposit, the obligation to complete the sale and purchase of Sale Shares under the Share Purchase Agreement shall automatically terminate and no

party shall have any further obligations, right to seek specific performance of the Share Purchase Agreement or other rights or liabilities against the other party under the Share Purchase Agreement, other than in relation to provisions on confidentiality, notice and governing law, jurisdiction and process agent.

If all the conditions above have been satisfied but the Vendors fail to complete the sale and purchase of the Sale Shares pursuant to the terms of the Share Purchase Agreement, or if the Vendors fail to procure fulfilment of condition (c) or (d) or (e) or (f) or (h) above on or before the Long Stop Date, the Vendors shall, within ten (10) Business Days from the Long Stop Date, refund the Deposit (without interest) to the Offeror to its designated account maintained with a licensed bank in Hong Kong. Upon such full repayment of the Deposit, the obligation to complete the sale and purchase of the Sale Shares under the Share Purchase Agreement shall automatically terminate and all rights and obligations of the parties thereto shall cease immediately upon termination (other than in relation to provisions on confidentiality, notice and governing law, jurisdiction and process agent) except that termination will not affect the then accrued rights and obligations of the Offeror (including the right to damages for any breach, if any, giving rise to the termination and any other antecedent breaches by the Vendor(s)).

As at the date of this joint announcement, to the best of the knowledge, information and belief of the Offeror and the Vendors having made all reasonable enquiries, save for the third party consents in relation to the change of control contemplated under the Share Purchase Agreement, the Offeror and Vendors have not identified any governmental or regulatory approval or third party consents required for the completion of the sale and purchase of the Sale Shares.

#### **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold, own, control or have direction over any Shares in the share capital or voting rights of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). Immediately after Completion, the Offeror and parties acting in concert with it will be interested in 200,854,743 Shares, representing approximately 52.52% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, subject to Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it).

As at the date of this joint announcement, the Company has 382,449,524 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into

any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

### **Principal terms of the Offer**

Subject to Completion, Prudential Brokerage, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**For each Offer Share ..... HK\$2.82 in cash**

The Offer Price of HK\$2.82 per Offer Share is equal to the purchase price per Sale Share payable by the Offeror under the Share Purchase Agreement. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

As at the date of this joint announcement, the Hong Leong Group Entities are beneficially interested in the Shares as follows:

|  | <b>Number of<br/>Shares</b> | <b>Approximate<br/>percentage</b> |
|--|-----------------------------|-----------------------------------|
| Hong Leong Holdings Limited                  | 21,356,085                  | 5.58%                             |
| Hong Leong International (Hong Kong) Limited | 4,718,203                   | 1.23%                             |
| Heidelberg Company Limited                   | 95,801                      | 0.03%                             |
| Hong Leong Enterprises Pte. Ltd.             | 2,036,443                   | 0.53%                             |
| Starich Investments Pte. Ltd.                | 375,054                     | 0.10%                             |
| Tudor Court Gallery Pte Ltd                  | 375,054                     | 0.10%                             |
| SingAsia Investments Pte Ltd                 | <u>1,151,019</u>            | <u>0.30%</u>                      |
| Total  | <u>30,107,659</u>           | <u>7.87%</u>                      |

Each of the Hong Leong Group Entities has irrevocably and unconditionally undertaken to the Offeror that it shall accept or procure the acceptance of the Offer in accordance with the terms set out in the Composite Document in respect of an aggregate of 30,107,659 Shares, representing approximately 7.87% of the entire issued share capital of the Company as at the date of this joint announcement, that they are beneficially interested in.

## **Comparisons of value**

The Offer Price of HK\$2.82 per Offer Share represents:

- (a) a premium of approximately 5.22% over the closing price of HK\$2.68 per Share as quoted on the Stock Exchange on 19 July 2016, being the Last Trading Day;
- (b) a premium of approximately 4.44% over the average closing price of approximately HK\$2.70 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 7.22% over the average closing price of approximately HK\$2.63 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 11.02% over the average closing price of approximately HK\$2.54 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (e) a premium of approximately 118.60% over the audited consolidated net asset value attributable to Shareholders of approximately HK\$1.29 per Share as at 31 December 2015, the date to which the latest audited financial results of the Group were made up.

## **Highest and lowest Share prices**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period ended on the Last Trading Day were HK\$2.82 per Share on 11 April 2016 and HK\$1.43 per Share on 26 January 2016, respectively.

## **Value of the Offer**

As at the date of this joint announcement, there are 382,449,524 Shares in issue. Based on the Offer Price of HK\$2.82 per Offer Share, the entire issued share capital of the Company is valued at HK\$1,078,507,657.68 and the Offer Shares are valued at HK\$512,097,282.42. Assuming the Offer is accepted in full by the Independent Shareholders and based on 181,594,781 Offer Shares, the total amount of cash required to effect the Offer will be HK\$512,097,282.42.

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

The Offeror intends to finance and satisfy the consideration payable under the Offer with the Facility. Octal Capital has been appointed as the financial adviser to the Offeror in respect of the Offer. Octal Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy the amount of funds required for the full acceptance of the Offer.

## **Effect of accepting the Offer**

By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

## **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the Independent Shareholders or if higher, the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Independent Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer. The Offeror will bear buyer's ad valorem stamp duty.

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

## **Taxation advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Octal Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (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 or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

## INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. The Group's principal business includes investment holding, provision of hospitality solutions, hotel management services, reservation services, risk management services, revenue management consulting, accounting and payroll services, and procurement services.

Set out below is a summary of certain audited financial information of the Group for the financial years ended 31 December 2014 and 31 December 2015 extracted from its annual reports:

|  | <b>Year ended</b><br><b>31 December 2014</b><br><i>HK\$'000</i> | <b>Year ended</b><br><b>31 December 2015</b><br><i>HK\$'000</i> |
|--|---|---|
| Revenue  | 100,130   | 92,207  |
| Loss before taxation   | 23,478  | 48,336  |
| Loss for the year  | 18,514  | 61,974  |
|  | <b>As at</b><br><b>31 December 2014</b><br><i>HK\$'000</i>      | <b>As at</b><br><b>31 December 2015</b><br><i>HK\$'000</i>      |
| Consolidated net asset value attributable to owners of the Company | 550,234   | 492,103   |

## **INFORMATION ON THE OFFEROR**

The Offeror is an investment holding company incorporated in the Cayman Islands with limited liability on 5 January 2015. As at the date of this joint announcement, the Offeror is wholly owned by 寧夏天元錳業有限公司 (transliterated as Ningxia Tianyuan Manganese Industry Co., Ltd) (“**Ningxia Tianyuan**”), a company incorporated in the PRC with limited liability, which is owned as to approximately 77.0% and 22.6% by Mr. Jia Tianjiang (賈天將) and HK Jingjin Int’l Share Group Limited, which is in turn wholly owned by Cui He (崔鶴) respectively. The sole director of the Offeror is Ms. Jia Yan (賈彥), who is a niece of Mr. Jia Tianjiang (賈天將).

Ningxia Tianyuan is principally engaged in processing of manganese minerals and other metal minerals and sale of electrolytic manganese and other processed metal minerals. Ningxia Tianyuan is a trans-regional, multi-industry private enterprise and the largest electrolytic manganese metal manufacturer in the world. Over the years, with the support from local government of district, city and province and related departments in the PRC, Ningxia Tianyuan wishes to build its brand and strive to achieve the strategic target of manganese manufacturer with international competitiveness.

Ningxia Tianyuan has an annual production capacity in electrolytic manganese metal of 500,000 tons, chromite metal of 300,000 tons, sulphuric acid of 200,000 tons, cement of 2,000,000 tons, restored manganese dioxide of 800,000 tons, treated harmless manganese metal residue of 2,000,000 tons. Ningxia Tianyuan was ranked 375th in the list of Top 500 Enterprises of China in 2015 issued by China Enterprise Confederation with a total revenue of RMB32.6 billion in the year ended 31 December 2015.

Prior to Completion, the Offeror and parties acting in concert with it did not own any Shares, convertible securities, options, warrants or derivatives in the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and were third parties independent of the Group and its connected persons.

### **Dealing and interests in the Company’s securities**

Save for the Sale Shares, none of the Offeror, its ultimate beneficial owners, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to 15 April 2016, being the date of the first Rule 3.7 Announcement and the period thereafter up to and including the date of this joint announcement.

As at the date of this joint announcement, the Offeror and parties acting in concert with it have not entered into any arrangements or contracts in relation to the derivatives in respect of securities in the Company nor have any of them borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this joint announcement, save for the Sale Shares under the Share Purchase Agreement, the Offeror and parties acting in concert with it do not hold, own or control any Shares, options, derivatives, warrants or other securities which may confer rights on the Offeror and parties acting in concert with it to subscribe for, convert or exchange into Shares.

### Shareholding structure of the Company

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after Completion.

|  | <b>(i) As at the date<br/>of this joint<br/>announcement</b> |                          | <b>(ii) Immediately after<br/>Completion</b> |                          |
|--|--|--------------------------|--|--------------------------|
|  | <i>Number of<br/>Shares</i>                                  | <i>Approximate<br/>%</i> | <i>Number of<br/>Shares</i>                  | <i>Approximate<br/>%</i> |
| The Vendors  |  |                          |  |                          |
| Citydev Investments Pte. Ltd.                        | 2,403,221  | 0.63                     | —  | —                        |
| Educado Company Limited                              | 7,927,703  | 2.07                     | —  | —                        |
| eMpire Investments Limited                           | <u>190,523,819</u>   | <u>49.82</u>             | <u>—</u>                                     | <u>—</u>                 |
| Sub-total  | 200,854,743  | 52.52                    | —  | —                        |
| The Offeror and parties acting in<br>concert with it | —  | —                        | 200,854,743                                  | 52.52                    |
| Directors and Chief Executive<br>Officer             | 6,415,592  | 1.68                     | 6,415,592                                    | 1.68                     |
| Independent Shareholders                             | <u>175,179,189</u>   | <u>45.80</u>             | <u>175,179,189</u>                           | <u>45.80</u>             |
| <b>Total</b>   | <u>382,449,524</u>   | <u>100</u>               | <u>382,449,524</u>                           | <u>100</u>               |



## **Other arrangements**

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the undertaking from each of the Hong Leong Group Entities, the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;
- (iii) save for the undertaking from each of the Hong Leong Group Entities in respect of the non-disposal of their respective beneficial interest in the Shares and the acceptance of the Offer, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for the Sale Shares, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) other than the Share Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners, and/or any person acting in concert with any of them has borrowed or lent.

## **FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The existing principal business of the Group includes investment holding, provision of hospitality solutions, hotel management services, reservation services, risk management services, revenue management consulting, accounting and payroll services, and procurement services. The Offeror will conduct a review on the existing principal businesses and the financial position

of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalization, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

### **Proposed change of Board composition**

As at the date of this joint announcement, the Board comprises Mr. Kwek Leng Beng, Mr. Gan Khai Choon and Mr. Lawrence Yip Wai Lam as executive Directors, Mr. Chan Bernard Charnwut and Mr. Ronald Nathaniel Issen as non-executive Directors, and Dr. Lo Ka Shui, Mr. Lee Jackson a.k.a. Li Chik Sin and Mr. Teoh Teik Kee as independent non-executive Directors.

Save for Mr. Lawrence Yip Wai Lam and the independent non-executive Directors, certified true copies of the letters of resignation of all existing executive Directors and non-executive Directors, to be effective from the earliest time as permitted under the Takeovers Code and the Listing Rules, will be delivered to the Offeror upon Completion.

At such time as may be notified by the Offeror to the Vendors, the Vendors shall use their reasonable endeavours to persuade the independent non-executive Directors to give notice to resign as Directors at the earliest time permitted under the Takeovers Code and the Listing Rules.

The Offeror proposes to nominate new Directors to the Board subject to compliance with all the applicable regulatory requirements, including the Takeovers Code and the Listing Rules. Following the despatch of the Composite Document, it is proposed that Mr. Zhang Shihong and Mr. Jiang Yulin will be appointed as executive Directors and Mr. Hu Baihe, Mr. Yuen Kwok Kuen and Mr. Guo Jingbin as independent non-executive Directors.

Set out below are the biographic details of the above-mentioned nominees for appointment as executive Directors and independent non-executive Directors. Further details required by Rule 13.51(2) of the Listing Rules will be announced after the appointment takes effect:

**Mr. Zhang Shihong (張士宏先生)**

Mr. Zhang, aged 47, holds a Master's degree in Economics. Mr. Zhang has over 20 years of experience in finance, credit management and investment management. He has worked for the head office of the Bank of China for around nine years, mainly responsible for credit management. He also pursued investment management in various institutions in the PRC. Mr. Zhang is the executive director and the chief executive officer of China Ocean Industry Group Limited (Stock Code: 651), the shares of which are listed on the Stock Exchange.

Save as disclosed above, Mr. Zhang (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Zhang does not hold any Share interests within the meaning of Part XV of the SFO.

**Mr. Jiang Yulin (蔣玉林先生)**

Mr. Jiang, aged 57, holds a doctorate degree in Economics. Mr. Jiang has over 36 years of experience in large scale financial institution in the PRC, and has extensive experience in financing, investment and management. Mr. Jiang is the non-executive director of Industrial and Commercial Bank of China (Asia) Limited (Shanghai Stock Exchange Stock Code: 601398; Hong Kong Stock Exchange Stock Code: 1398), the shares of which are listed in Shanghai Stock Exchange and the Stock Exchange.

Save as disclosed above, Mr. Jiang (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Jiang does not hold any Share interests within the meaning of Part XV of the SFO.

**Mr. Hu Baihe (胡柏和先生)**

Mr. Hu, aged 53, graduated from Jiangxi University of Finance and Economics. He is a senior accountant, certified public accountant, certified public valuer and certified tax agent in the PRC. He has extensive experience in finance field. Mr. Hu is currently the general manager of Peking Certified Public Accountants. Before he joined Peking Certified Public Accountants in 1993, he had over seven years working experience with Ministry of Finance of the PRC. Mr. Hu is the independent non-executive director of China Ocean Industry Group Limited (Stock Code: 651), the shares of which are listed on the Stock Exchange.

Save as disclosed above, Mr. Hu (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Hu does not hold any Share interests within the meaning of Part XV of the SFO.

**Mr. Yuen Kwok Kuen (阮國權先生)**

Mr. Yuen, aged 42, obtained the Bachelor of Business from Monash University (Australia) in 1998 and is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and the CPA Australia respectively. Mr. Yuen has 17 years of experience in audit, tax, initial public offering, merger and acquisition and corporate services. Mr. Yuen is the company secretary of China Household Holdings Limited (Stock Code: 692), the shares of which are listed on the Stock Exchange.

Save as disclosed above, Mr. Yuen (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Yuen does not hold any Share interests within the meaning of Part XV of the SFO.

**Mr. Guo Jingbin (郭景彬先生)**

Mr. Guo, aged 58, graduated from Shanghai Construction Materials College in 1980. In 1998, Mr. Guo received a Master of Business Administration degree from the Post-graduate College of the Social Science Institute of China (中國社會科學院).

Mr. Guo is an executive director of Anhui Conch Group Company Limited. Mr. Guo has been an executive director of Anhui Conch Cement Company Limited (Shanghai Stock Exchange Stock Code: 600585; Stock Exchange Stock Code: 914), the shares of which are listed on Shanghai Stock Exchange and Stock Exchange, from September 1997 to June 2014 and was re-designated as a non-executive director of Anhui Conch Cement Company Limited until May 2016.

Mr. Guo has been a non-executive director and chairman of China Conch Venture Holdings Limited (Stock Code: 586), the shares of which are listed on the Stock Exchange, from June 2013 to June 2014. Since then, Mr. Guo has been the executive director and the chairman of China Conch Venture Holdings Limited (Stock Code: 586). He is primarily responsible for overall strategic development of China Conch Venture Holdings Limited (Stock Code: 586). Mr. Guo is also an independent non-executive director of China Logistics Property Holdings Co., Ltd. (Stock Code: 1589), the shares of which are listed on the Stock Exchange. Mr. Guo has over 30 years' experience in the building materials industry and rich experience in capital markets, particularly specializing in corporate strategic planning, marketing planning and general and administration management.

Save as disclosed above, Mr. Guo (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Guo does not hold any Share interests within the meaning of Part XV of the SFO.

Under the Share Purchase Agreement, the Vendors have agreed to procure that Board resolutions be passed to approve the appointment of such persons as may be nominated by the Offeror as new Directors, such appointment to take effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. It is proposed that other new Directors will be nominated to the Board. However, the proposed changes have not yet been finalised as at the date of this joint announcement and a further announcement will be made in respect of changes to the composition to the Board.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer. In the event that the public float of the Company falls below 25% following the close of the Offer, the director of the Offeror and the new Directors (who will be nominated by the Offeror and appointed as Directors) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares following the close of the Offer.

If, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the 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, the Stock Exchange may exercise its discretion to suspend trading in the Shares.

## **DEALINGS DISCLOSURE**

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

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

*“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.”*

## **INDEPENDENT BOARD COMMITTEE OF THE COMPANY**

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all non-executive Directors (other than Mr. Chan Bernard Charnwut and Mr. Ronald Nathaniel Issen), has been formed to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Mr. Chan Bernard Charnwut’s family is interested in The Philippine Fund Limited, a 60% owned subsidiary of Millennium & Copthorne Hotels plc, which in turn is a subsidiary of CDL. Mr. Chan Bernard Charnwut is thus not considered independent for the purpose of advising the Independent Shareholders in respect of the Offer. Mr. Ronald Nathaniel Issen is a non-independent non-executive director on the board of the manager for CDL Hospitality Real Estate Investment Trust (“**H-REIT**”) and the board of the trustee-manager for CDL Hospitality Business Trust (“**HBT**”). Both H-REIT and HBT form the stapled group, CDL Hospitality Trusts, which is listed on the Singapore Exchange Securities Trading Limited and is a subsidiary of Millennium & Copthorne Hotels plc, which in turn is a subsidiary of CDL. Mr. Ronald Nathaniel Issen is therefore not considered independent for the purpose of advising the Independent Shareholders in respect of the Offer. An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer. The appointment of the independent financial adviser is subject to the approval of the Independent Board Committee. A further announcement will be made when the independent financial adviser to the Independent Board Committee is appointed.

## **COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. If Completion does not take place within the 21-day period, the Offeror will apply to the Executive for a waiver pursuant to Note 2 to Rule 8.2 of the Takeovers Code.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document containing, among other things, (i) the details of the Offer (including the expected timetable and terms of the Offer); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the Form of Acceptance, will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code, within 21 days from the date of this joint announcement or such later date as the Executive may approve. The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 20 July 2016 pending the release of this joint announcement and application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 July 2016.

## **WARNING**

**The making of the Offer is subject to Completion taking place, which in turn is conditional on the fulfillment of the conditions precedent or waiver thereof as appropriate. Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

## **DEFINITIONS**

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

|                     |  |
|---------------------|--|
| “acting in concert” | has the same meaning ascribed to it under the Takeovers Code |
| “associate”         | has the same meaning ascribed to it under the Listing Rules  |



|                       |   |
|-----------------------|---|
| “Board”               | the board of Directors  |
| “Business Day(s)”     | a day (excluding Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong and the Republic of Singapore are open for business |
| “Burlington Transfer” | the deemed transfer of the Company’s indirect ownership interests of approximately 16% in each of Rich Burlington Hotel, LLC and RBH MEZZ, LLC as a result of a change of control of the Company as contemplated under the Share Purchase Agreement   |
| “CDL”                 | City Developments Limited, a company incorporated in the Republic of Singapore, whose shares are listed on the Singapore Exchange Securities Trading Limited, and the controlling shareholder of the Vendors  |
| “Company”             | City e-Solutions Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 557)   |
| “Completion”          | completion of the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement   |
| “Completion Date”     | the date on which Completion takes place, being the second Business Day immediately after all conditions precedent set out in the Share Purchase Agreement are fulfilled or waived in accordance with the terms and conditions of the Share Purchase Agreement (or such later date as the parties thereto may agree in writing)   |

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| “Composite Document”      | the document proposed to be jointly issued by or on behalf of the Offeror and the Company to the Shareholders other than the Offeror and parties acting in concert with it in accordance with the Takeovers Code in respect of the Offer containing, among other things, the details of the Offer (accompanied by the acceptance and transfer forms) and the respective letters of advice from the independent financial adviser and the Independent Board Committee |
| “connected person”        | has the meaning ascribed thereto under the Listing Rules   |
| “controlling shareholder” | has the meaning ascribed thereto under the Listing Rules   |
| “Covenantor”              | Glades Properties Pte. Ltd., a company incorporated in the Republic of Singapore, a wholly-owned subsidiary of CDL, the controlling shareholder of the Vendors as at the date of this joint announcement   |
| “Deposit”                 | the deposit of HK\$57,880,217 which has been paid by the Purchaser to the Vendors upon signing of a memorandum of understanding dated 27 April 2016 (as amended and restated by the amended and restated memorandum of understanding dated 29 April 2016) in respect of the sale and purchase of the Sale Shares entered into among the Vendors and the Purchaser  |
| “Director(s)”             | the director(s) of the Company   |
| “Encumbrances”            | any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest or other third party right, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback or trust arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same                                       |
| “Executive”               | Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director  |

|                               |   |
|-------------------------------|---|
| “Facility”                    | a loan facility of up to HK\$513 million granted by Prudential Brokerage to the Offeror to finance the amount payable by the Offeror upon acceptance of the Offer   |
| “Form of Acceptance”          | the form of acceptance and transfer of Shares in respect of the Offer   |
| “Group”                       | the Company and its subsidiaries  |
| “HK\$”                        | Hong Kong dollar(s), the lawful currency of Hong Kong   |
| “Hong Kong”                   | the Hong Kong Special Administrative Region of the PRC  |
| “Hong Leong Group Entities”   | Hong Leong International (Hong Kong) Limited, Hong Leong Holdings Limited, Hong Leong Enterprises Pte. Ltd., SingAsia Investments Pte Ltd, Heidelberg Company Limited, Starich Investments Pte. Ltd. and Tudor Court Gallery Pte Ltd. |
| “Independent Board Committee” | an independent committee of the Board, comprising all non-executive Directors (other than Mr. Chan Bernard Charnwut and Mr. Ronald Nathaniel Issen), formed to advise the Independent Shareholders in respect of the Offer            |
| “Independent Shareholders”    | Shareholders (including the Hong Leong Group Entities) other than the Offeror and parties acting in concert with it   |
| “Last Trading Day”            | 19 July 2016, being the last trading day before trading in the Shares was halted pending the publication of this joint announcement   |
| “Listing Rules”               | Rules Governing the Listing of Securities on the Stock Exchange   |
| “Long Stop Date”              | 5:00 p.m. on the date which falls on the expiry of three (3) months from the date of the Share Purchase Agreement or such other date as the Vendors and the Offeror may agree in writing  |

|                           |  |
|---------------------------|--|
| “Octal Capital”           | Octal Capital Limited, a licensed corporation permitted to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror in respect of the Offer  |
| “Offer”                   | the mandatory unconditional cash offer to be made by Prudential Brokerage for and on behalf of the Offeror for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code |
| “Offeror”                 | China Tian Yuan Manganese Limited, a company incorporated in the Cayman Islands with limited liability on 5 January 2015   |
| “Offer Period”            | the period commencing from 15 April 2016, being the date of the first of the Rule 3.7 Announcements and ending on the date of the close of the Offer in accordance with the Takeovers Code   |
| “Offer Price”             | the price at which the Offer is made, being HK\$2.82 per Offer Share   |
| “Offer Share(s)”          | any and all of the Share(s), other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it   |
| “Overseas Shareholder(s)” | Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong  |
| “PRC”                     | the People’s Republic of China (excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan) for the purpose of this joint announcement  |
| “Prudential Brokerage”    | Prudential Brokerage Limited, a licensed corporation permitted to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO  |

|                            |  |
|----------------------------|--|
| “Rule 3.7 Announcements”   | the announcements issued by the Company dated 15 April 2016, 29 April 2016, 27 May 2016, 10 June 2016 and 8 July 2016, in relation to the possible sale by the Vendors of their shareholding interest in the Company                           |
| “Share Purchase Agreement” | the share purchase agreement dated 19 July 2016 entered into among the Vendors, the Offeror and the Covenantor in respect of the Sale Shares   |
| “Sale Shares”              | an aggregate of 200,854,743 Shares, legally and beneficially owned by the Vendors immediately before Completion, representing approximately 52.52% of the entire issued share capital of the Company as at the date of this joint announcement |
| “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)”                 | ordinary share(s) of HK\$1.00 each in the share capital of the Company   |
| “Shareholder(s)”           | holder(s) of Share(s)  |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited  |
| “substantial shareholder”  | has the meaning ascribed thereto under the Listing Rules   |
| “Takeovers Code”           | the Hong Kong Code on Takeovers and Mergers  |
| “Vendors”                  | Citydev Investments Pte. Ltd., Educado Company Limited and eMpire Investments Limited  |
| “%”                        | per cent.  |

By Order of the Sole Director of  
**China Tian Yuan Manganese Limited**  
**Jia Yan**  
*Sole Director*

By Order of the Board  
**City e-Solutions Limited**  
**Kwek Leng Beng**  
*Chairman and Managing Director*

Hong Kong, 22 July 2016

*As at the date of this joint announcement, the Board is comprised of 8 Directors, of which 3 are executive Directors, namely Mr. Kwek Leng Beng, Mr. Gan Khai Choon and Mr. Lawrence Yip Wai Lam, 2 are non-executive Directors, namely Mr. Chan Bernard Charnwut and Mr. Ronald Nathaniel Issen and 3 are independent non-executive Directors, namely Dr. Lo Ka Shui, Mr. Lee Jackson a.k.a. Li Chik Sin and Mr. Teoh Teik Kee.*

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

*As at the date of this joint announcement, the Offeror is owned as to approximately 77.0% and 22.6% by Mr. Jia Tianjiang (賈天將) and HK Jingjin Int'l Share Group Limited, which is in turn wholly owned by Cui He (崔鶴) respectively. The sole director of the Offeror is Ms Jia Yan.*

*The sole director of the Offeror, Mr. Jia Tianjiang and Cui He jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, its associates and parties acting in concert with it), and confirms, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinion expressed by the Group, its associates and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.*