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**CHINA HANYA GROUP
HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8312)*

**HANDSOME GLOBAL
INVESTMENTS LIMITED**

*(Incorporated in the British Virgin Islands
with limited liability)*

JOINT ANNOUNCEMENT

**(1) SALE AND PURCHASE OF APPROXIMATELY 69.59% OF THE ENTIRE
ISSUED SHARE CAPITAL OF
CHINA HANYA GROUP HOLDINGS LIMITED;**

(2) MANDATORY UNCONDITIONAL OFFER BY



CHINA GOLDJOY SECURITIES LIMITED

**FOR AND ON BEHALF OF
HANDSOME GLOBAL INVESTMENTS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
CHINA HANYA GROUP HOLDINGS LIMITED**

**(OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED
BY HANDSOME GLOBAL INVESTMENTS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT);**

(3) CHANGE OF CHIEF EXECUTIVE OFFICER;

AND

**(4) RESUMPTION OF TRADING IN THE SHARES OF
CHINA HANYA GROUP HOLDINGS LIMITED**

Financial adviser to Handsome Global Investments Limited



**Alliance Capital Partners Limited
同人融資有限公司**

THE SALE AND PURCHASE AGREEMENT

The Company was informed by China Merit (being the Controlling Shareholder of the Company immediately prior to Completion) that on 13 January 2017, China Merit and the Offeror entered into the Sale and Purchase Agreement pursuant to which the Offeror agreed to acquire and China Merit agreed to sell the Sale Shares, being 515,000,000 Shares in aggregate, for the Consideration of HK\$336,240,000, equivalent to approximately HK0.6529 per Sale Share. The Sale Shares represent approximately 69.59% of the entire issued share capital of the Company as at the date of this joint announcement.

Completion took place immediately upon signing of the Sale and Purchase Agreement on 13 January 2017.

Prior to Completion, China Merit held a total of 515,000,000 Shares, representing approximately 69.59% of the total issued share capital of the Company. Immediately after Completion and as at the date of this joint announcement, China Merit holds no Shares or rights to Shares.

MANDATORY UNCONDITIONAL OFFER

Prior to Completion, none of the Offeror and parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares or warrants, options, derivatives or other securities that were convertible or exchangeable into Shares or other types of equity interest in the Company, other than the interest in Shares acquired under the Sale and Purchase Agreement.

Immediately after Completion and as at the date of this joint announcement, the Offeror and the parties acting in concert with it are interested in 515,000,000 Shares, representing approximately 69.59% of the entire issued share capital of the Company as at the date of this joint announcement. Accordingly, the Offeror is required to make a mandatory unconditional offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Shares which are not already owned or have been agreed to be acquired by the Offeror and parties acting in concert with it. The Offer will be made unconditional in all respects.

China Goldjoy will, for and on behalf of the Offeror, make the Offer in compliance with the Takeovers Code on the following basis:

The Offer

For each Offer Share HK\$0.6529 in cash

The Offer Price of HK\$0.6529 per Offer Share under the Offer is the same as the purchase price per Sale Share paid by the Offeror pursuant to the Sale and Purchase Agreement.

Principal terms of the Offer are set out under the paragraph headed “Mandatory Unconditional Offer” below.

SOURCES OF FUND

The Offeror will finance and satisfy the consideration under the Offer by a loan facility granted by China Goldjoy Credit Limited, which is secured by a charge over the Shares owned or to be owned by the Offeror, and its own internal resources.

Alliance Capital has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising three independent non-executive Directors, namely Ms. Sun Yuan, Mr. Zhang Tianbao and Ms. Sun Huiyan, has been formed to advise the Independent Shareholders in respect of the Offer. Ms. Yang Haibi, an independent non-executive Director, was excluded from the Independent Board Committee to avoid any conflict of interest in advising the Independent Shareholders on the terms of the Offer, as she has been authorised by the Offeror to act as the Offeror's representative to take part in discussions and negotiations in respect of the Offer.

The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. An announcement will be made by the Company as soon as possible after an independent financial adviser has been appointed.

GENERAL

It is the intention of the Offeror and the Board to combine the Offer document and the offeree board circular into a Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other matters, terms of the Offer should normally be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. It is expected that the Composite Document will be despatched on or before 6 February 2017. Further announcement will be made when the Composite Document together with the relevant form of acceptance and transfer are despatched.

CHANGE OF CHIEF EXECUTIVE OFFICER

The Board hereby announces that with effect from 16 January 2017 that Mr. Liu has resigned as the Chief Executive Officer of the Company and Ms. Lu Zhuo has been appointed as the Chief Executive Officer of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 13 January 2017 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 17 January 2017.

The Company was informed by China Merit (being the Controlling Shareholder of the Company immediately prior to Completion) that on 13 January 2017, China Merit as the vendor and the Offeror as the purchaser entered into the Sale and Purchase Agreement pursuant to which, China Merit has agreed to sell, and the Offeror has agreed to acquire, an aggregate of 515,000,000 Shares (i.e. the Sale Shares), for the Consideration of HK\$336,240,000, or approximately HK\$0.6529 per Sale Share. Principal terms of the Sale and Purchase Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT

Date

13 January 2017

Parties

- (i) China Merit, as vendor; and
- (ii) the Offeror, as purchaser.

The Offeror and its ultimate beneficial owner are third parties independent of and are not connected with the Company and its connected persons.

Sale Shares

Pursuant to the terms of the Sale and Purchase Agreement, the Offeror agreed to acquire, and China Merit agreed to sell, the Sale Shares free from all liens, charges, encumbrances or third party rights of whatsoever nature and with all rights attaching to them (including dividend rights, attached or accruing to them) on and from the Completion Date.

The Sale Shares represent approximately 69.59% of the entire issued share capital of the Company as at the date of this joint announcement.

Consideration

The Consideration for the Sale Shares is HK\$336,240,000, equivalent to approximately HK\$0.6529 per Sale Share.

The Consideration was determined after arm's length negotiations between the Offeror and China Merit, after taking into consideration (i) the financial performance of the Group; and (ii) the prevailing market prices of the Shares as further described in the section headed "Offer Price" below of this joint announcement.

Manner of payment of the Consideration

On the Completion Date, the Consideration was satisfied according to the Sale and Purchase Agreement in the following manner:

- (i) an amount of HK\$134,640,000 was paid by the Offeror into the accounts designated by China Merit; and
- (ii) the remaining amount of HK\$201,600,000 was deemed paid upon the Offeror, China Merit and Forise Global signing of a deed of novation under which the Offeror has taken up the liabilities and obligations of the Loan from China Merit.

Background of the Loan

Pursuant to the loan agreement entered into between China Merit, as the borrower, and Forise Global, as the lender, Forise Global agreed to grant to China Merit the Loan in the principal amount of HK\$200,000,000. As at 13 January 2017, being the date of the Sale and Purchase Agreement and the Completion Date, China Merit owed Forise Global the aggregate principal amount and accrued interest of HK\$201,600,000.

Completion

Completion took place immediately upon signing of the Sale and Purchase Agreement on 13 January 2017.

MANDATORY UNCONDITIONAL OFFER

Prior to Completion, none of the Offeror and parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares or warrants, options, derivatives or other securities that were convertible or exchangeable into Shares or other types of equity interest in the Company, other than the interest in Shares acquired under the Sale and Purchase Agreement.

Immediately after Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it are interested in 515,000,000 Shares, representing approximately 69.59% of the entire issued share capital of the Company as at the date of this joint announcement. Accordingly, the Offeror is required to make a mandatory unconditional offer for all the issued Shares (other than those already acquired or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code. The Offer will be made unconditional in all respects.

As at the date of this joint announcement, there are 740,000,000 Shares in issue.

As at the date of this joint announcement, the Company has no other outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The Offer will be made on the terms mentioned below.

Principal terms of the Offer

China Goldjoy will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make a mandatory unconditional general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) on the terms to be set out in the Composite Document.

The Offer

For every Share accepted under the Offer HK\$0.6529 in cash

The Offer Price of HK\$0.6529 per Offer Share equals to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer, when made, will extend to all Shares in issue on the date on which the Offer is made, being the date of the despatch of the Composite Document, and to any further Shares which are unconditionally allotted, other than those Shares held by the Offeror and persons acting in concert with it.

The Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or any other conditions.

The Shares to be acquired under the Offer will be fully paid, free from all liens, charges and encumbrances.

The Offer Price

The Offer Price of HK\$0.6529 per Offer Share represents:

- (i) a discount of approximately 47.3% to the closing price of HK\$1.24 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 45.6% to the average closing price of approximately HK\$1.20 per Share for the last five trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 50.2% to the average closing price of approximately HK\$1.31 per Share for the last 10 trading days immediately prior to and including the Last Trading Day;

- (iv) a discount of approximately 54.3% to the average closing price of approximately HK\$1.43 per Share for the last 30 trading days immediately prior to and including the Last Trading Day; and
- (v) a premium of approximately 1,145.6% over the audited net asset value of the Group attributable to the Shareholders of approximately HK\$0.05 per Share as at 30 September 2016.

Highest and Lowest Share Prices

During the six-month period immediately prior to and including the Last Trading Day, the lowest closing price per Share as quoted on the Stock Exchange was HK\$0.68 on 18 July 2016 and the highest closing price per Share as quoted on the Stock Exchange was HK\$1.99 on 7 November 2016.

Total consideration for the Offer

Based on the Offer Price of HK\$0.6529 per Offer Share and 740,000,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$483,146,000. Assuming that the Offer is accepted in full and there is no change in the issued share capital of the Company up to the close of the Offer, the maximum amount payable by the Offeror under the Offer will be HK\$146,902,500 based on a total of 225,000,000 Offer Shares (representing the Shares not already owned by the Offeror and parties acting in concert with it) subject to the Offer and the Offer Price of HK\$0.6529 per Offer Share.

Effect of accepting the Offer

The acceptance of the Offer by the Independent Shareholders will constitute warranties by such Shareholders to the Offeror that the Shares acquired under the Offer are fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of the Composite Document, which is expected to be issued jointly by the Offeror and the Company.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of an acceptance of the Offer will be made as soon as possible but in any event within seven (7) Business Days (as defined under the Takeovers Code) of the date of the receipt of the duly completed acceptance of the Offer. Relevant documents evidencing title of the Shares must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

Overseas Shareholders

The Offeror intends to make the Offer available to all Shareholders, including the Overseas Shareholders. However, the Offer is in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. The Overseas Shareholders who wish to participate in the Offer but with a registered address outside Hong Kong are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. The Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility 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 in respect of such jurisdictions).

Stamp duty

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Independent Shareholder on acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will bear its own portion of the buyer's ad valorem stamp duty at the rate of 0.1% of the amount payable in connection with the acceptances or if higher, the market value of the Offer Shares, and will be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Offer.

Tax 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. It is emphasised that none of the Offeror, the Company, China Merit, China Goldjoy or Alliance Capital or any of their respective directors, officers 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.

Other arrangements

The Offeror confirms that, save as disclosed in this joint announcement, as at the date hereof:

- (i) the Offeror, its ultimate beneficial owner, 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 the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) 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) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner 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
- (v) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any person acting in concert with any of them has borrowed or lent.

Save for the Sale Shares under the Sale and Purchase Agreement, neither the Offeror, its ultimate beneficial owner or parties acting in concert with any of them has dealt in any Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six-month period immediately prior to the date of this joint announcement.

INFORMATION ON THE COMPANY

The Company, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM, is an investment holding company. The Company's subsidiaries are principally engaged in the distribution of apparel products. In October 2016, the Group also diversified into the money lending business.

Shareholding structure of the Company

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

	Immediately prior to Completion		Immediately after Completion and as at the date of this joint announcement	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
The Offeror and parties acting in concert with it	—	—	515,000,000	69.59
China Merit	515,000,000	69.59	—	—
Public Shareholders	<u>225,000,000</u>	<u>30.41</u>	<u>225,000,000</u>	<u>30.41</u>
Total	<u>740,000,000</u>	<u>100.00</u>	<u>740,000,000</u>	<u>100.00</u>

Financial information of the Group

The following table is a summary of certain audited consolidated financial information of the Group for the two financial years ended 30 September 2016 as extracted from the annual report of the Company for the year ended 30 September 2016:

	Financial year ended 30 September	
	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	54,351	23,122
Gross Profit	3,434	1,268
Loss before taxation	(5,418)	(10,587)
Loss for the financial year	(5,280)	(10,587)

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in BVI with limited liability. As at the date of this joint announcement, save for entering into the Sale and Purchase Agreement and entering into the financial arrangement with China Goldjoy Credit Limited in relation to the Sale and Purchase Agreement and the Offer, the Offeror did not engage in any other business activities.

As at the date of this joint announcement, the Offeror is wholly and beneficially owned by Mr. Yun Liguu who is also the sole director of the Offeror. Mr. Yun Liguu has experience in investment fund management, interior design and renovation.

SOURCES OF FUND

The Offeror will finance the consideration payable under the Offer by a loan facility provided by China Goldjoy Credit Limited, a third party independent of the Offeror, which is secured by a charge over the Shares owned or to be owned by the Offeror, and its own internal resources. Alliance Capital, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptance of the Offer.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Immediately after Completion, the Offeror has become the Controlling Shareholder of the Company.

The Offeror intends to continue the existing business objectives of the Group, which is the distribution of apparel products, as well as expansion into the financial services industry.

The Offeror will, following the completion of the Offer, conduct a review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group, and explore possible opportunities in the financial industry. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may diversify the business of the Group with the objective of broadening its sources of income. However, as of the date of this joint announcement, no such investment or business opportunities have been identified nor has the Offeror entered into any agreement, arrangements, understandings, intention or negotiation in relation to the injection of any assets or business into the Group. The Offeror has no plan to inject any assets or businesses into the Group, or to procure the Group to acquire any assets from the Offeror or dispose of any assets of the Group.

Save for the proposed change of composition of the Board and the resignation of Mr. Liu as Chief Executive Officer of the Company as described below, the Offeror has no intention to terminate any employment of the employees of the Group, make significant changes to any employment, or dispose of or re-allocate the Group's assets which are not in the ordinary and usual course of business of the Group.

Proposed change to the Board composition of the Company

The Board is currently made up of seven Directors, comprising three executive Directors, namely Mr. Liu, Mr. Law Kin Wah, Kenneth and Ms. Sun Wing Man, Doris; and four independent non-executive Directors, namely Ms. Yang Haibi, Ms. Sun Yuan, Mr. Zhang Tianbao and Ms. Sun Huiyan. Immediately after Completion, each of the executive Directors may resign as Director with effect from the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code or by the Executive. Such resignation will not take effect earlier than the date of the close of the Offer Period.

The Offeror intends to nominate new Directors to the Board after the date on which the Composite Document is posted or at a date as permitted under the Takeovers Code.

Any changes to the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules and further announcement will be made as and when appropriate.

Change of Chief Executive Officer

The Board hereby announces that with effect from 16 January 2017 that Mr. Liu has resigned as the Chief Executive Officer of the Company and Ms. Lu Zhuo (“**Ms. Lu**”) has been appointed as the Chief Executive Officer of the Company.

Ms. Lu, aged 33, holds a Master’s Degree in Interpreting from University of Newcastle in the United Kingdom. She has significant experience in investment banking, financial advisory and corporate financing. Ms. Lu had previously worked at Goldman Sachs in London. Ms. Lu had served as an independent non-executive director of Neo Telemedia Limited, a company listed on the GEM (stock code: 8167) between March 2014 and May 2014.

Save as disclosed above, as at the date of this joint announcement, Ms. Lu (i) has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas for the last three years; and (ii) does not have any other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. The Company will enter into a formal agreement in relation to Ms. Lu’s employment as the Chief Executive Officer of the Company with reference to her qualifications, experience, level of responsibilities undertaken and prevailing market conditions. In relation to the appointment of Ms. Lu, there is no information which is discloseable nor required to be disclosed pursuant to Rule 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Liu remains as an executive Director and the chairman of the Board. Mr. Liu has confirmed that he has no disagreement with the Board and there are no matters relating to his cessation as the Chief Executive Officer of the Company that need to be brought to the attention of the Shareholders.

Maintaining the listing status of the Company

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of the Company will continue to be held by the public at all times.

The Stock Exchange has indicated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares.

GENERAL

Independent Board Committee

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or which is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether the Offer is, or is not, fair and reasonable; and (ii) as to acceptance. The Independent Board Committee, comprising three independent non-executive Directors, namely Ms. Sun Yuan, Mr. Zhang Tianbao and Ms. Sun Huiyan, has been formed to advise the Independent Shareholders in respect of the Offer. Ms. Yang Haibi, an independent non-executive Director, was excluded from the Independent Board Committee to avoid any conflict of interest in advising the Independent Shareholders on the terms of the Offer, as she has been authorised by the Offeror to act as the Offeror's representative to take part in discussions and negotiations in respect of the Offer.

The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. An announcement will be made by the Company as soon as possible after an independent financial adviser has been appointed. The advice of the independent financial adviser and the recommendation of the Independent Board Committee in respect of the Offer, in particular, as to whether the Offer is, or is not, fair and reasonable and as to each of its acceptance, will be included in the Composite Document to be despatched.

Composite Document

It is the intention of the Offeror and the Board to combine the Offer document and the offeree board circular into a Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other matters, terms of the Offer should normally be despatched to the Shareholders within 21 days of the date of this joint announcement or such later date as the Executive may approve. It is expected that the Composite Document will be despatched on or before 6 February 2017. Further announcement will be made when the Composite Document together with the relevant form of acceptance and transfer are despatched.

Disclosure of Dealings

All associates (including a person who owns or controls 5% or more of any class of relevant securities) of the Offeror and the Company are reminded to disclose their dealings in any relevant securities of the Company in accordance with Rule 22 of the Takeovers Code.

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

“Responsibilities of stockbrokers, banks and other intermediaries Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code 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.”

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 13 January 2017 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 17 January 2017.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business

“BVI”	the British Virgin Islands
“Alliance Capital”	Alliance Capital Partners Limited, a licensed corporation holding a licence under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities and the financial adviser to the Offeror in respect of the Offer
“China Goldjoy”	China Goldjoy Securities Limited (中國金洋證券有限公司), a licensed corporation holding a licence under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities
“China Merit”	China Merit International Investment Inc. (國譽環球投資有限公司), a company incorporated with limited liability in BVI, the beneficial owner of the Sale Shares and the Controlling Shareholder of the Company prior to Completion, which is wholly owned by Mr. Liu as at the date of this joint announcement
“Company”	China Hanya Group Holdings Limited (中國瀚亞集團控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (Stock code: 8312)
“Completion”	the completion of the Sale and Purchase Agreement pursuant to the terms and conditions contained therein
“Completion Date”	13 January 2017, being the date on which the Completion took place
“Composite Document”	the composite offer and response document in respect of the Offer to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer
“Consideration”	consideration payable by the Offeror as purchaser for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement, being HK\$336,240,000
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

“Forise Global”	Forise Global Holdings Limited, a company incorporated in BVI
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising the independent non-executive Directors (namely Ms. Sun Yuan, Mr. Zhang Tianbao and Ms. Sun Huiyan), formed to advise the Independent Shareholders in respect of the Offer
“Independent Shareholder(s)”	holder(s) of the Shares, other than the Offeror and parties acting in concert with it
“Last Trading Day”	12 January 2017, being the last full Trading Day of the Shares immediately preceding the date of this joint announcement
“Loan”	the loan owed by China Merit to Forise Global in the aggregate principal amount and accrued interest of HK\$201,600,000 as at 13 January 2017 under the loan agreement entered into between China Merit, as the borrower, and Forise Global, as the lender
“Mr. Liu”	Mr. Liu Sit Lun, an executive Director and Chairman of the Company, and the sole director and sole beneficial owner of China Merit
“Offer”	the mandatory unconditional offer by China Goldjoy to acquire all the Offer Shares pursuant to Rule 2.6.1 of the Takeover Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.6529 per Offer Share
“Offer Period”	has the meaning ascribed thereto in the Takeovers Code
“Offer Share(s)”	Shares that are subject to the Offer and “Offer Share” means any of them
“Offeror”	Handsome Global Investments Limited, a company incorporated in BVI with limited liability and the purchaser of the Sale Shares under the Sale and Purchase Agreement

“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as stated in the register of members of the Company is or are outside Hong Kong
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale Shares”	515,000,000 Shares beneficially owned by China Merit immediately prior to Completion, representing approximately 69.59% of the entire issued share capital of the Company as at the date of this joint announcement, each a “Sale Share”
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 13 January 2017 entered into among the Offeror and China Merit in relation to the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“Trading Day”	a day when the Stock Exchange is open for trading in Hong Kong
“%”	per cent.

By order of the Board
**CHINA HANYA GROUP
HOLDINGS LIMITED**

Liu Sit Lun
Chairman

By order of the board of director of
**HANDSOME GLOBAL
INVESTMENTS LIMITED**

Yun Ligu
Sole Director

Hong Kong, 16 January 2017

As at the date of this joint announcement, Mr. Yun Ligu is the sole director of the Offeror, who accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint

announcement (other than those expressed by the Group) 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 statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises three executive Directors, namely Mr. Liu Sit Lun, Mr. Law Kin Wah, Kenneth and Ms. Sun Wing Man, Doris; and four independent non-executive Directors, namely Ms. Yang Haibi, Ms. Sun Yuan, Mr. Zhang Tianbao and Ms. Sun Huiyan. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror 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 statements in this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its posting and on the Company’s website at www.chinahanya.com.hk.