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WARDERLY INTERNATIONAL HOLDINGS LIMITED

匯多利國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 80% EQUITY INTEREST IN A PROPERTY DEVELOPMENT COMPANY IN THE PRC

THE TIANYUN ACQUISITION

On 5 September 2014, after trading hours, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Tianyun Equity Transfer Agreement with Nanjing Tonglu and Changfa Dushi, pursuant to which the Purchaser has conditionally agreed to buy and Nanjing Tonglu has conditionally agreed to sell 80% equity interest in Tianyun at a total consideration of RMB500,000,000 (equivalent to approximately HK\$630,500,000).

As at the date of this announcement, Nanjing Tonglu and Changfa Dushi directly hold 95% and 5% equity interest in Tianyun, respectively. Nanjing Tonglu is a wholly-owned subsidiary of Changfa Dushi. Upon the Tianyun Completion, the Purchaser, Nanjing Tonglu and Changfa Dushi will directly hold 80%, 15% and 5% equity interest in Tianyun, respectively. Tianyun will become a non-wholly owned subsidiary of the Company and its results will be consolidated into accounts of the Group.

The principal asset of Tianyun is the Yu Hua Tai Land located in Yu Hua Tai District, Nanjing, the PRC for residential properties development.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Tianyun Acquisition exceed 25% but are less than 100% as calculated under Rule 14.07 of the Listing Rules, the Tianyun Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and shareholders' approval pursuant to Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written shareholder's approval for the Tianyun Acquisition has been obtained from Magnolia Wealth, the controlling shareholder of the Company directly holding 2,603,036,404 Shares, representing approximately 56.96% of the issued share capital of the Company as at the date of this announcement. To the best of the Directors' knowledge, information and belief, none of the Shareholders has any material interest in the Tianyun Acquisition and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Tianyun Acquisition.

A circular containing, among other things, details of the Tianyun Acquisition together with the accountants' report and valuation report of Tianyun will be despatched to the Shareholders on or before 29 September 2014.

Shareholders and potential investors should note that the Tianyun Completion is subject to conditions precedent to be fulfilled. Shareholders and potential investors should also note that there are risks associated with the Tianyun Acquisition and they should consider and assess all the risks carefully. Shareholders and potential investors are reminded to exercise extreme caution when dealing in the Shares and other securities of the Company.

THE TIANYUN ACQUISITION

The Tianyun Equity Transfer Agreement

Date

5 September 2014 (after trading hours)

Parties

- (i) The Purchaser, an indirect wholly-owned subsidiary of the Company, as purchaser;
- (ii) Nanjing Tonglu, a wholly-owned subsidiary of Changfa Dushi, as seller; and
- (iii) Changfa Dushi.

As at the date of this announcement, Nanjing Tonglu and Changfa Dushi directly hold 95% and 5% equity interest in Tianyun, respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Nanjing Tonglu, Changfa Dushi and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Assets to be acquired

Pursuant to the Tianyun Equity Transfer Agreement, the Purchaser has conditionally agreed to buy and Nanjing Tonglu has conditionally agreed to sell 80% equity interest in Tianyun.

The principal asset of Tianyun is the Yu Hua Tai Land, which is located in Yu Hua Tai District, Nanjing, the PRC. The Yu Hua Tai Land is of a total site area of approximately 49,220 square meters and of a total gross floor area of approximately 50,051 square meters for residential properties developments (providing about 346 units), 4,081 square meters for communal facilities purpose, and 42,167 square meters for basement, with land use right of 70 years commencing on 30 July 2010. The Yu Hua Tai Land is to be developed for luxury and low-density houses. The pre-sale of the residential properties on the Yu Hua Tai Land has commenced in early September 2014.

Consideration

The Tianyun Consideration payable by the Purchaser to Nanjing Tonglu is RMB500,000,000 (equivalent to approximately HK\$630,500,000), which will be paid in the following manners:

- (i) within 20 Business Days after all the Tianyun Conditions have been fulfilled or waived (as the case may be), RMB50,000,000 (the “**First Instalment**”), being 10% of the Tianyun Consideration, will be deposited by the Purchaser to a bank account designated by Nanjing Tonglu (the “**Designated Account**”); and
- (ii) within 60 Business Days after the Tianyun Completion, RMB450,000,000, being the balance of the Tianyun Consideration, will be paid by the Purchaser to the Designated Account.

The Purchaser has obtained the Standby Facility of RMB801,000,000, and part of which will be applied to finance the Tianyun Consideration. As the Standby Facility is to be provided by a connected person of the Company (as defined in the Listing Rules) on normal commercial terms without any security over the assets of the Group, it is fully exempted under Rule 14A.90 of the Listing Rules from shareholders’ approval, annual review and all disclosure requirements. However, the Purchaser may obtain alternative financing as the Board considers appropriate from time to time.

Basis of determining the Consideration

The Tianyun Consideration was agreed between the Purchaser and Nanjing Tonglu after arms’ length negotiations based on the net asset value of Tianyun. The Tianyun Consideration is at a discount of approximately 27% to the net assets (as at 31 August 2014 based on the management account of Tianyun) attributable to the equity interest to be acquired by the Purchaser under the Tianyun Equity Transfer Agreement.

Conditions to the Tianyun Acquisition

The Tianyun Acquisition is conditional upon fulfillment and/or waiver (as the case may be) of the Tianyun Conditions as set forth below:

- (a) the Purchaser being satisfied with the results of the due diligence review on, among others, the financial and legal aspects of Tianyun, the Yu Hua Tai Land and the residential projects developed thereon and there has been no change to such findings which is unacceptable to the Purchaser prior to the Tianyun Completion;

- (b) the Purchaser having received a legal opinion issued by the PRC lawyers as to the law of the PRC in relation to the Tianyun Acquisition, the Yu Hua Tai Land and the residential projects developed thereon which is in all respects satisfactory to the Purchaser;
- (c) the Purchaser having obtained all approvals under the relevant laws and regulations and all necessary consents from third parties which are required for the Tianyun Equity Transfer Agreement, the Tianyun Acquisition and other transactions contemplated under the Tianyun Equity Transfer Agreement;
- (d) the Purchaser having published the relevant announcement and/or circular (if necessary) and having obtained the Shareholders' approval (if necessary) in relation to the Tianyun Equity Transfer Agreement, the Tianyun Acquisition and other transactions contemplated under the Tianyun Equity Transfer Agreement;
- (e) the Tianyun Transaction Documents and the ancillary agreements and documents contemplated thereunder having been signed by the relevant parties thereto and originals of which having been provided to the Purchaser;
- (f) the 80% equity interest in Tianyun having remained free of encumbrances till the Tianyun Completion;
- (g) in the absolute opinion of the Purchaser, there has been no material adverse change in relation to the Yu Hua Tai Land (or the rights of Tianyun thereto), the residential projects developed thereon or Tianyun;
- (h) Nanjing Tonglu's and Changfa Dushi's representations and warranties contained in the Tianyun Equity Transfer Agreement and the Tianyun Transaction Documents having remained true, accurate and not misleading;
- (i) there having been no restriction, prohibition, injunction, invalidation or others which prevent (or seek to prevent) the Tianyun Acquisition or other transactions contemplated under the Tianyun Equity Transfer Agreement;
- (j) Nanjing Tonglu and Changfa Dushi having complied with all their respective obligations under the Tianyun Equity Transfer Agreement and the Tianyun Transaction Documents;

The Purchaser may waive, in whole or in part, conditionally or unconditionally, conditions set out in (a), (b), (e), (f), (g), (h) and (j) above by written notice to Nanjing Tonglu. The conditions set out in (c), (d) and (i) above will not be waivable.

As at the date of this announcement, the Purchaser does not intend to waive any of the above conditions, and none of the above conditions precedent has been fulfilled.

Distribution of profit

The parties have agreed that the distribution of profit among the parties will not be in proportion to their respective shareholding in Tianyun. Nanjing Tonglu and Changfa Dushi agreed that the Purchaser shall be distributed profit of not less than RMB300,000,000 within two years after the Tianyun Completion provided that the cash flow of Tianyun is sufficient to meet the requirement of normal development and construction. Once the accumulated net profit after tax of Tianyun exceeds RMB300,000,000 and is no more than RMB600,000,000, any excess over RMB300,000,000 will be distributed to Nanjing Tonglu and Changfa Dushi as per their agreement; once the accumulated net profit after tax of Tianyun exceeds RMB600,000,000, 80% of the net profit above RMB600,000,000 will be distributed to the Purchaser, and the remaining 20% will be distributed to Nanjing Tonglu and Changfa Dushi as per their agreement.

The parties have further agreed that, subject to realization of sale revenue of the residential properties, the distribution of profit to Purchaser shall be made on a monthly basis out of the profit after tax of Tianyun and after payment of any bank borrowing of Tianyun.

Tianyun Completion

After the fulfillment and/or waiver of all the Tianyun Conditions, and completion of the registration with the relevant Administration for Industry and Commerce in the PRC in respect of the Tianyun Acquisition (which shall be completed within five (5) Business Days after the First Instalment is deposited into the Designated Account), the Tianyun Completion shall take place on the date on which Tianyun obtains its new business licence.

Upon the Tianyun Completion, the Purchaser, Nanjing Tonglu and Changfa Dushi will directly hold 80%, 15% and 5% equity interest in Tianyun, respectively. Tianyun will become a non-wholly owned subsidiary of the Group, the financial results, assets and liability of Tianyun will be consolidated into the accounts of the Group.

Termination

In the event of any material breach of the Tianyun Equity Transfer Agreement which is not remedied within twenty (20) Business Days of the written notice given by the non-defaulting party to the defaulting party, the non-defaulting party shall have the right to terminate the Tianyun Equity Transfer Agreement and the Tianyun Transaction Documents.

If (i) the Tianyun Conditions have not been fulfilled or waived (as the case may be) for whatever reason within one (1) month after signing of the Tianyun Equity Transfer Agreement; (ii) the Tianyun Conditions have been fulfilled but the registration with the relevant Administration for Industry and Commerce in the PRC in respect of the Tianyun Acquisition shall not have been completed for whatever reason (except for the Purchaser's reason or force majeure) within two (2) months after signing of the Tianyun Equity Transfer Agreement; or (iii) the Tianyun Completion shall not have taken place within two (2) months after completion of the registration with the relevant Administration for Industry and Commerce in the PRC in respect of the Tianyun Acquisition, the Purchaser shall have the right to terminate the Tianyun Equity Transfer Agreement and the Tianyun Transaction Documents by written notice. Under the circumstances (ii) and (iii) above, within ten (10) Business Days after receipt of such written notice by Nanjing Tonglu, Nanjing Tonglu shall refund the First Instalment together with the interest accrued thereon to the Purchaser.

INFORMATION ON THE PARTIES

The Purchaser

The Purchaser is an indirect wholly-owned subsidiary of the Company. It is a limited partnership established in the PRC. Its principal business is investment in, amongst others, properties and businesses in the PRC.

Nanjing Tonglu

Nanjing Tonglu is a limited company established in the PRC and is principally engaged in enterprise asset management, advisory and property management. Nanjing Tonglu is a wholly-owned subsidiary of Changfa Dushi.

Changfa Dushi

Changfa Dushi is a limited company established in the PRC and is principally engaged in property development and management.

Tianyun

Tianyun is a company established in the PRC with limited liability and is principally engaged in property development.

Financial Information on Tianyun

Set out below is the unaudited financial information of Tianyun for the two financial years ended 31 December 2012 and 2013 prepared in accordance with the Hong Kong Financial Reporting Standards:

| | For the financial year ended 31 December 2013 RMB'000 | For the financial year ended 31 December 2012 RMB'000 |
|--|--|--|
| Net loss before taxation and extraordinary items | 527 | 364 |
| Net loss after taxation and extraordinary items | 439 | 273 |
| Net assets | 863,641 | 864,080 |

The Company has engaged LCH (Asia-Pacific) Surveyors Limited to access the market values of the property on the Yu Hua Tai Land attributable to Tianyun, the report of which will be included in the circular to be despatched to the Shareholders on or before 29 September 2014.

REASONS FOR AND BENEFIT OF THE TIANYUN ACQUISITION

The principal business activities carried on by the Company is property development in the PRC. Having considered that: (i) the Yu Hua Tai Land is situated in a prime location which is a parkland in the centre of the city of Nanjing; (ii) the residential developments on the Yu Hua Tai Land are unique residential properties without any similar/comparable residential properties in Nanjing; and (iii) Tianyun has commenced selling the residential developments, the Directors consider the terms of the Tianyun Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS OF THE TIANYUN ACQUISITION

As the applicable percentage ratios in respect of the Tianyun Acquisition exceed 25% but are less than 100% as calculated under Rule 14.07 of the Listing Rules, the Tianyun Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and shareholders' approval pursuant to Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER’S APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written shareholder’s approval for the Tianyun Acquisition has been obtained from Magnolia Wealth, the controlling shareholder of the Company directly holding 2,603,036,404 Shares, representing approximately 56.96% of the issued share capital of the Company as at the date of this announcement. To the best of the Directors’ knowledge, information and belief, none of the Shareholders has any material interest in the Tianyun Acquisition and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Tianyun Acquisition.

A circular containing, among other things, details of the Tianyun Acquisition will be despatched to the Shareholders on or before 29 September 2014.

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DEFINITIONS

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| “Board” | the board of Directors; |
| “Business Day” | a day on which banks in the PRC are generally open for normal banking business (not including Saturday, Sunday, banking holidays and public holidays); |
| “Changfa Dushi” | 南京長發都市房地產開發有限公司 (Nanjing Changfa Dushi Real Estate Development Co. Ltd.*), a company established under the law of the PRC and, as at the date of this announcement, directly holds 5% equity interest in Tianyun; |
| “Company” | Warderly International Holdings Limited 匯多利國際控股有限公司*, a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on the Stock Exchange; |
| “controlling shareholder” | has the same meaning ascribed to it under the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | Hong Kong Special Administrative Special Region of the PRC; |

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| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Magnolia Wealth” | Magnolia Wealth International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Ji; |
| “Mr. Ji” | Mr. Ji Changqun, the chairman of the Board and the chief executive officer and executive Director of the Company; |
| “Nanjing Tonglu” | 南京通路資產管理有限公司(Nanjing Tonglu Asset Management Limited*), a company established under the law of the PRC and, as at the date of this announcement, directly holds 95% equity interest in Tianyun and a wholly-owned subsidiary of Changfa Dushi; |
| “PRC” | the People’s Republic of China; |
| “Purchaser” | 南京豐利股權投資企業(有限合夥)(Nanjing Fengli Equity Investment Enterprise*), a limited partnership established under the law of the PRC and an indirect wholly-owned subsidiary of the Company; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Share(s)” | share(s) of HK\$0.01 each in the share capital of the Company; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Standby Facility” | the RMB801,000,000 standby loan facility to be provided by 南京豐盛產業控股集團有限公司* (Nanjing Fullshare Industrial Holdings Group Limited), being a company controlled by Mr. Ji, as the lender, to the Purchaser pursuant to the terms and conditions of an undertaking letter dated 20 August 2014 issued by Nanjing Fullshare Industrial Holdings Group Limited; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Tianyun” | 南京天韻房地產開發有限公司 (Nanjing Tianyun Real Estate Development Company Limited*), a company established under the law of the PRC; |

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| “Tianyun Acquisition” | the proposed acquisition of 80% equity interest in Tianyun by the Purchaser from Nanjing Tonglu pursuant to the terms and conditions of the Tianyun Equity Transfer Agreement; |
| “Tianyun Completion” | the completion of the Tianyun Acquisition; |
| “Tianyun Conditions” | the conditions as set out under the paragraph “Conditions to the Tianyun Acquisition” under the section headed “The Tianyun Acquisition” of this announcement; |
| “Tianyun Consideration” | the total consideration payable by the Purchaser for the Tianyun Acquisition pursuant to the terms of the Tianyun Equity Transfer Agreement; |
| “Tianyun Equity Transfer Agreement” | the equity transfer agreement dated 5 September 2014 between the Purchaser, Nanjing Tonglu and Changfa Dushi in respect of the Tianyun Acquisition; |
| “Tianyun Transaction Documents” | collectively, the Tianyun Equity Transfer Agreement, the articles of association of Tianyun and any other agreement or documents entered into between the parties; |
| “Yu Hua Tai Land” | a parcel of land located in 雨花台區雨花台風景區西南側 (south west to the Yu Hua Tai Scenic Area, Yu Hua Tai District, Nanjing, the PRC*) of a total site area of 49,220 square meters; and |
| “%” | per cent. |

By order of the Board
Warderly International Holdings Limited
Ji Changqun
Chairman

Hong Kong, 5 September 2014

As at the date of this announcement, the executive Directors are Mr. Ji Changqun, Mr. Shi Zhiqiang, Mr. Zhou Yanwei and Mr. Eddie Hurip and the independent non-executive Directors are Mr. Lau Chi Keung, Mr. Chow Siu Lui and Mr. Tsang Sai Chung.

** for identification purposes only*