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DRAGONITE INTERNATIONAL LIMITED

叁龍國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 329)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 6.09% EQUITY INTERESTS IN FREEWILL HOLDINGS LIMITED

THE ACQUISITION

The Board is pleased to announce that after trading hours on 24 November 2015, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase or procure to purchase, the Sale Shares for a consideration of HK\$180 million on and subject to the terms and conditions of the Agreement.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE AGREEMENT

The principal terms of the Agreement are set out below:-

Date

24 November 2015 (after trading hours)

Parties

Vendor: HEC Development Limited

Purchaser: Silvermoon Developments Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. The Vendor is principally engaged in investment holding.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase or procure to purchase the Sale Shares, representing approximately 6.09% of the entire issued share capital of the Target Company, free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances or third-party rights of any nature.

Consideration

The Consideration in the sum of HK\$180 million, being the consideration for the Sale Shares, shall be payable in cash in full by the Purchaser on Completion. The Group intends to finance the Consideration by internal resources.

The Consideration has been determined based on normal commercial terms and after arm's length negotiations between the Vendor and the Purchaser having taken into account, among others, the consolidated net asset value of the Target Company attributable to the Sale Shares.

Condition Precedent

Completion shall be conditional upon the satisfaction in full of the following conditions precedent:-

- (a) the approval of the Agreement and transactions contemplated thereunder by the Shareholders who are permitted to vote in accordance with the Listing Rules, if required; and
- (b) all other consents or approval of any relevant governmental authorities, regulatory bodies or other relevant third parties in Hong Kong or elsewhere which if required for the entry into and the implementation of the Agreement having been obtained, including all filings with any relevant governmental authorities or other relevant third parties in Hong Kong or elsewhere which if required for the entering into and the implementation of the Agreement having been made.

If any of the conditions above have not been fulfilled on or before 5:00 p.m. on 31 December 2015 (or such other date as the parties to the Agreement may agree in writing from time to time), either the Vendor or the Purchaser shall be entitled to treat the Agreement as terminated. Where the Agreement is so terminated, all obligations of the Vendor and the Purchaser under the Agreement shall cease, and no party to the Agreement shall have any liability to another party, save with respect to any antecedent breaches of the Agreement.

Completion

Completion shall take place on the second Business Day after the date on which the conditions above have been satisfied (or such other date as the parties to the Agreement may agree).

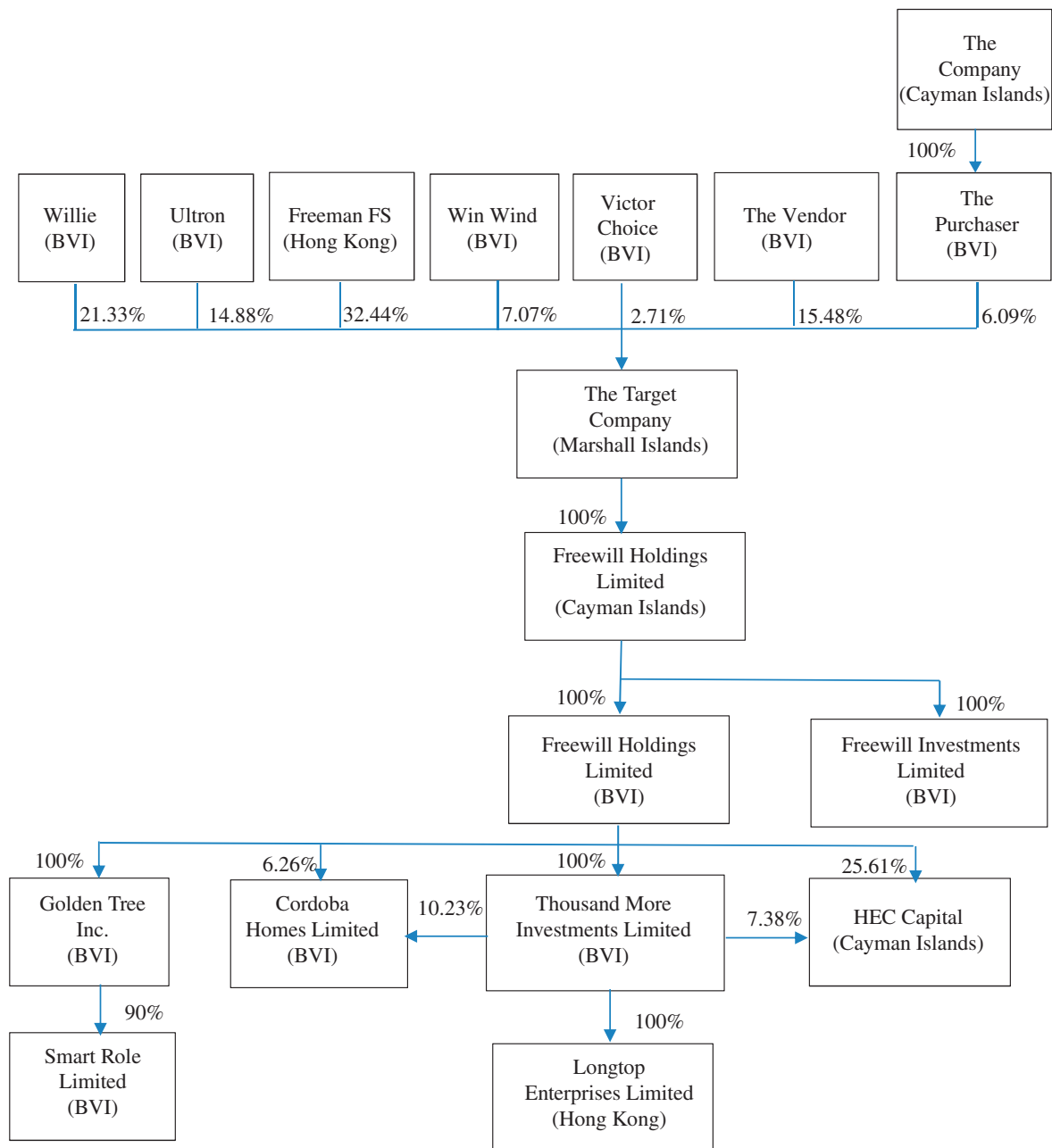
INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company, the subsidiaries of which are principally engaged in (i) financial services related businesses including money lending and has a money lending licence and (ii) forestry in the PRC. As at the date hereof, the Target Company is held, indirectly, as to 32.44% by Freeman, 21.33% by Mason, 14.88% by Skyway, 7.07% by Enerchina, 2.71% by Optoelectronics and directly, as to 21.57% by the Vendor.

The Target Company’s indirect wholly-owned subsidiary, Longtop Enterprises Limited engages in financial services related business with a money lending licence and Smart Role Limited engages in forestry in the PRC.

As at the date of this announcement, the Target Company owns approximately 32.99% shareholding in HEC Capital. HEC Capital together with its subsidiaries are principally engaged in the business of property investment, investment advisory and financial services, investment in securities trading and money lending.

The corporate structure of the Target Company upon Completion will be as follows:



The unaudited consolidated net profit of the Target Company attributable to the Sale Shares (both before and after tax) for the period from 16 June 2014 (date of incorporation) to 30 September 2015 was approximately HK\$12.40 million and the unaudited consolidated net asset of the Target Company attributable to the Sale Shares as at 30 September 2015 was approximately HK\$207.68 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the production and sale of health care and pharmaceutical products, money lending, trading of wines and securities trading and investment.

As previously disclosed, the Group has allocated less financial resources in local securities trading and investments and has attempted to explore more opportunities in other investments and treasury products. The Board has considered the businesses and investments held by the Target Group such as the financial services and the investment in HEC Capital, and the Board is of the view that such business segments are in line with the direction and the scope of business of the Group. The Board believes that the Acquisition may strengthen the investment portfolio of the Group and may bring positive return to the Group in future.

Moreover, taking into account of the purchase price of approximately HK\$5.5 per Sale Share representing a discount of approximately 13.2% to the consolidated net asset value per Sale Share of approximately HK\$6.34 as at 30 September 2015, the Board considers that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor on and subject to the terms and conditions of the Agreement
“Agreement”	the conditional agreement dated 24 November 2015 between the Vendor and the Purchaser in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or a public holiday) on which banks are open for business in Hong Kong
“BVI”	the British Virgin Islands
“Company”	Dragonite International Limited (叁龍國際有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 329)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meanings ascribed thereto in the Listing Rules
“Consideration”	the consideration of HK\$180 million payable by the Purchaser to the Vendor under the Agreement
“Director(s)”	director(s) of the Company
“Enerchina”	Enerchina Holdings Limited (stock code: 622), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Freeman”	Freeman Financial Corporation Limited (stock code: 279), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange

“Freeman FS”	Freeman Financial Services Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Freeman
“Group”	the Company and its subsidiaries
“HEC Capital”	HEC Capital Limited, a company incorporated in the Cayman Islands with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mason”	Mason Financial Holdings Limited (stock code: 273), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Optoelectronics”	China Optoelectronics Holding Group Co., Limited (stock code: 1332), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Silvermoon Developments Limited, a company incorporated in the BVI with limited liability, and a wholly-owned subsidiary of the Company
“Sale Share(s)”	the 32,727,273 shares in the Target Company legally and beneficially held by the Vendor
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Skyway”	Skyway Securities Group Limited, (stock code: 1141), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Freewill Holdings Limited, a company incorporated in the Republic of the Marshall Islands
“Target Group”	the Target Company and its subsidiaries
“Ultron”	Ultron Prime Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Skyway
“Vendor”	HEC Development Limited, a company incorporated in the BVI with limited liability
“Victor Choice”	Victor Choice Global Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Optoelectronics
“Willie”	Willie Link Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Mason
“Win Wind”	Win Wind Value Investments Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Enerchina
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
Dragonite International Limited
Chan Mee Sze
Managing Director

Hong Kong, 24 November 2015

As at the date of this announcement, the Board comprises the following Directors:-

Executive Directors:

Mr. Lee Kien Leong (*Chairman*)
Ms. Chan Mee Sze (*Managing Director*)
Mr. Lam Suk Ping

Independent Non-executive Directors:

Mr. Lam Man Sum, Albert
Mr. Chang Tat Joel
Mr. Wong Stacey Martin