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MILAN STATION HOLDINGS LIMITED

米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

UPDATE ANNOUNCEMENT FRAMEWORK AGREEMENT

This announcement is made by Milan Station Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 30 December 2014, in relation to a memorandum of understanding entered into between Standpoint, Milan Station Internet, Chaodai (潮袋), the Investor and J&C (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings used in the Announcement unless otherwise specified.

FRAMEWORK AGREEMENT

The Board wishes to update the Shareholders that on 26 January 2015 (after trading hours), Standpoint, Milan Station Internet, J&C, the Investor and Ms. Zhang Qin entered into a non-legally binding framework agreement (the “**Framework Agreement**”) for the formation of a project company (the “**Project Company**”) for the acquisition of the entire equity interests of Chaodai (潮袋) (the “**Acquisition**”) and the proposed subscription of equity interests in the Project Company (the “**Proposed Increase in Capital**”) by the Investor.

THE MAJOR TERMS OF THE FRAMEWORK AGREEMENT

Date: 26 January 2015 (after trading hours)

Parties: (i) Standpoint
(ii) Milan Station Internet
(iii) J&C
(iv) the Investor
(v) Ms. Zhang Qin

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Investor and its ultimate beneficial owner is an independent third party not connected with the Company and its connected persons.

Milan Station Internet is owned as to 90% by Standpoint and 10% by J&C as at the date of this announcement. Accordingly, J&C and its ultimate 100% owner, Ms. Zhang Qin, are core connected persons of the Company.

The only asset of Milan Station Internet is its 100% equity interests in Chaodai (潮袋).

Formation of Project Company and the Acquisition

According to the Framework Agreement, Standpoint and J&C will form the Project Company. At formation, the Project Company will be owned as to 90% by Standpoint and 10% by J&C, which is same as their respective shareholding percentage in Milan Station Internet.

The Project Company will be the vehicle used to acquire the entire equity interests owned by Milan Station Internet in Chaodai (潮袋) at nominal value.

Subject to the definitive agreement for the Acquisition, J&C will transfer its 10% shareholding in Milan Station Internet to Standpoint at nominal value as soon as after the Acquisition.

Proposed Increase in Capital

The Investor intends to subscribe for equity interests in the Project Company by injection of registered capital, such that after the completion of the injection of the registered capital, each of Standpoint, J&C and the Investor shall own the equity interests in the Project Company in the proportion of 35%: 3.9%: 61.1%.

Management of Project Company

The management team of the Project Company shall comprise two (2) representatives from the Investor and one (1) representative from J&C. The chairman of the Project Company will be one of the representatives from the Investor.

Management of Chaodai (潮袋)

The management team of Chaodai (潮袋) shall comprise two (2) representatives from the Investor and one (1) representative from J&C.

General

The parties to the Framework Agreement intends that through the Acquisition and the Proposed Increase in Capital, Chaodai (潮袋) will become well positioned in terms of financial and human resources and wider business networks to explore the cross-border on-line business under the brand name and the trademark of “Milan Station” for better return on their investments.

The Framework Agreement may or may not lead to the entering into of any definitive agreement(s) for the formation of the Project Company and the Acquisition. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules. As the formation of the Project Company and the Acquisition may or may not be materialised, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Milan Station Holdings Limited
YIU Kwan Tat
Chairman

Hong Kong, 26 January 2015

As at the date of this announcement, the Board comprises Mr. YIU Kwan Tat and Mr. YIU Kwan Wai, Gary as executive Directors; Mr. TAM B Ray, Billy and Mr. YUEN Lai Yan, Darius as non-executive Directors; and Mr. SO, Stephen Hon Cheung, Mr. FAN Chun Wah, Andrew and Mr. MUI Ho Cheung, Gary as independent non-executive Directors.