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CNT GROUP LIMITED

北海集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 701)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

The Board is pleased to announce that on 29 April 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Pre-Sale Contract with the Vendor to acquire the Property.

As one of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE PRE-SALE CONTRACT

Date

29 April 2016

Parties

- (i) Sea Rover Special Coating (Xinfeng) Co., Ltd.* (海諾威特種塗料(新豐)有限公司) as Purchaser; and
- (ii) Beijing Greenland Jinghua Properties Co., Ltd.* (北京綠地京華置業有限公司) as Vendor.

Property to be acquired

The Property is a pre-sale commercial property situate at Room 4905, Block 4, Greenland Centre, Zhao Yang District, Beijing, the PRC* (中國北京市朝陽區綠地中心項目第 4 幢 4905 號房) with a gross floor area of 494.03 square meters. The Vendor will deliver possession of the Property to the Purchaser on 31 October 2016.

Consideration

The consideration payable by the Purchaser to the Vendor for the Acquisition is RMB33,560,000 (equivalent to approximately HK\$40,087,420) in cash. The consideration has been arrived at after arm's length negotiation between the Purchaser and the Vendor, an independent property developer, with reference to the prevailing market price and will be paid as follows:

- (i) the first payment of RMB16,780,000 (equivalent to approximately HK\$20,043,710), including an initial deposit of RMB100,000 (equivalent to approximately HK\$119,450), has been paid to the Vendor upon signing of the Pre-Sale Contract;
- (ii) part payment of RMB6,712,000 (equivalent to approximately HK\$8,017,484) will be paid before 30 June 2016; and
- (iii) the remaining balance of RMB10,068,000 (equivalent to approximately HK\$12,026,226) will be paid before 30 October 2016.

The consideration of the Acquisition is intended to be financed by the Group's internal resources.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group is principally engaged in the manufacture and sale of paint products, property investment (including the investment properties for rental income potential or for sale, and the proposed columbarium/residential property development in Hong Kong) and iron and steel trading and investment holding activities.

The Purchaser is a limited liability company incorporated in the PRC. It is an indirect wholly-owned subsidiary of the Company, which is principally engaged in the business of property investment.

INFORMATION ON THE VENDOR

The Vendor is a limited liability company incorporated in the PRC. It is principally engaged in property development, the sale of self-developed commodity housing, property management and the leasing of commercial properties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Purchaser will hold the Property for investment purposes and lease out the Property for rental income purposes. The Acquisition will enable the Group to generate steady recurring rental income and strengthen income base of the Group and provide capital appreciation potential to the Group.

In view of the above, the Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Pre-Sale Contract;
“Board”	the board of Directors;
“Company”	CNT Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Pre-Sale Contract”	Beijing City Commodity Housing Pre-sale Contract (北京市商品房預售合同);

“Property”	a pre-sale commodity housing situate at Room 4905, Block 4, Greenland Centre, Zhao Yang District, Beijing, the PRC* (中國北京市朝陽區綠地中心項目第4幢4905號房);
“Purchaser”	Sea Rover Special Coating (Xinfeng) Co., Ltd.* (海諾威特種塗料(新豐)有限公司), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Beijing Greenland Jinghua Properties Co., Ltd.* (北京綠地京華置業有限公司), a limited liability company incorporated in the PRC; and
“%”	per cent.

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.1945. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rate or at all.

On behalf of the Board
Lam Ting Ball, Paul
Chairman

Hong Kong, 29 April 2016

As at the date of this announcement, the Board comprises Mr. Lam Ting Ball, Paul, Mr. Tsui Ho Chuen, Philip and Mr. Chong Chi Kwan as executive directors; Mr. Chan Wa Shek and Mr. Zhang Yulin as non-executive directors; and Sir David Akers-Jones, Mr. Danny T Wong, Dr. Steven Chow and Mr. Zhang Xiaojing as independent non-executive directors.

** denotes English translation of the name of a Chinese company or an address in China, which is provided for identification purposes only.*