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CHINA SANDI HOLDINGS LIMITED

中國三迪控股有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 910)

**PROPOSED ISSUE OF UNLISTED WARRANTS TO SUBSCRIBE
FOR ORDINARY SHARES WORTH UP TO HK\$75 MILLION
UNDER SPECIFIC MANDATE
AND
PROPOSED ISSUE OF NOTES WITH AN AGGREGATE PRINCIPAL
AMOUNT OF HK\$150 MILLION**

On 21 December 2015, after trading hours of the Stock Exchange, the Company as issuer and Chance Talent as investor entered into the Warrants Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to Chance Talent, and Chance Talent has conditionally agreed to subscribe for, the Warrants. Pursuant to the Warrants Subscription Agreement, the Warrants will confer the right upon the holders thereof, exercisable in whole or in part at any time during the Exercise Period, to subscribe for in aggregate up to a maximum amount of HK\$75,000,000 worth of Warrant Shares at the Exercise Price per Warrant Share.

On 21 December 2015, after trading hours of the Stock Exchange, the Company as issuer and Chance Talent as noteholder entered into the Notes Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to Chance Talent, and Chance Talent has conditionally agreed to subscribe for, the Notes with an aggregate principal amount of HK\$150,000,000.

The Warrant Shares to be issued upon exercise of the Subscription Rights attaching to the Warrants will be issued under the Specific Mandate to be sought at the SGM. It is expected that the completion of the Rights Issue will occur prior to the issue of Warrants.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges.

Completion of the issue of Warrants and the issue of Notes are subject to the satisfaction of the conditions precedent under the Warrants Subscription Agreement and Notes Subscription Agreement, respectively. As the issue of Warrants and/or the issue of Notes may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Ordinary Shares.

INTRODUCTION

On 21 December 2015, after trading hours of the Stock Exchange, the Company as issuer and Chance Talent as investor entered into the Warrants Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to Chance Talent, and Chance Talent has conditionally agreed to subscribe for, the Warrants. Pursuant to the Warrants Subscription Agreement, the Warrants will confer the right upon the holders thereof, exercisable in whole or in part at any time during the Exercise Period, to subscribe for in aggregate up to a maximum amount of HK\$75,000,000 worth of Warrant Shares at the Exercise Price per Warrant Share.

On 21 December 2015, after trading hours of the Stock Exchange, the Company as issuer and Chance Talent as noteholder entered into the Notes Subscription Agreement, pursuant to which the Company has conditionally agreed to issue to Chance Talent, and Chance Talent has conditionally agreed to subscribe for, the Notes with an aggregate principal amount of HK\$150,000,000.

Chance Talent is a limited liability company incorporated in the British Virgin Islands. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Chance Talent and its ultimate beneficial owners are Independent Third Parties.

WARRANTS SUBSCRIPTION AGREEMENT

Date

21 December 2015 (after trading hours)

Parties

- (1) the Company as issuer; and
- (2) Chance Talent as investor.

Principal terms of the Warrants

The principal terms of the Warrants are summarised below:

Issuer:	The Company
Subscription price:	The Warrants will be subscribed for at a price of HK\$0.01.
Subscription Rights:	Warrantholders will have the rights to subscribe for in aggregate up to a maximum amount of HK\$75,000,000 worth of Warrant Shares at the Exercise Price per Warrant Share.
Exercise Period:	The Subscription Rights attaching to the Warrants may be exercised at any time from the date of issue of the Warrants and ending on the Initial Maturity Date, or, if requested by the Company and Chance Talent agrees to such request, the Extended Maturity Date.
Rights of the Warrant Shares:	The Warrant Shares that fall to be allotted pursuant to the exercise of the Subscription Rights will rank pari passu in all respects with the fully-paid Ordinary Shares in issue on the date such Subscription Rights are duly exercised.
Form:	The Warrants will be issued in registered form.
Transferability:	The Warrants are transferable in whole or in part in the authorised denomination of Subscription Rights to subscribe for HK\$5,000,000 worth of Warrant Shares or integral multiples thereof.
No shareholders' rights by Warrantholders:	The Warrantholders will not be entitled to receive notice of, attend or vote at general meetings of the Company, nor will they be entitled to participate in any distribution and/or offers of further securities made by the Company.
Listing:	The Warrants will not be listed on the Stock Exchange or any other stock exchanges. Application will be made to the Stock Exchange for the listing of, and the permission to deal in the Warrant Shares.

Exercise Price and number of Warrant Shares to be issued

The Exercise Price of the Subscription Rights will be the lower of (i) HK\$0.40 per Ordinary Share or (ii) the weighted volume average price of the Ordinary Shares for the ten consecutive trading days immediately prior to the commencement of dealings in the Right Shares, subject to customary adjustment.

Assuming that the Exercise Price is HK\$0.40 per Ordinary Share, upon exercise of the Subscription Rights attaching to the Warrants in full, 187,500,000 Warrant Shares will be issued. On such basis, the maximum nominal value of the Warrant Shares will be HK\$1,875,000.

Given 824,462,446 Ordinary Shares are in issue as at the date of this announcement, 187,500,000 Warrant Shares represent approximately 22.74% of the existing issued share capital of the Company and, assuming no other changes to the issued share capital, approximately 18.53% of the issued share capital of the Company as enlarged by the allotment and issue of 187,500,000 Warrant Shares.

It is expected that completion of the Rights Issue will occur prior to the issue of Warrants. Following completion of the Rights Issue, 187,500,000 Warrant Shares will represent approximately 7.05% of the issued share capital of the Company as enlarged by the allotment and issue of 1,648,924,892 Rights Shares and 187,500,000 Warrant Shares (assuming no other changes to the issued share capital).

Should the weighted volume average price of the Ordinary Shares for the ten consecutive trading days immediately prior to the commencement of dealings in the Ordinary Shares to be issued pursuant to the Rights Issue be lower than HK\$0.40, the Company will make further announcement on the Exercise Price and maximum number of Warrant Shares to be issued upon exercise of the Subscription Rights attaching to the Warrants in full.

Basis of Exercise Price

Assuming that the Exercise Price is HK\$0.40 per Ordinary Share, such Exercise Price represents:

- (1) a discount of approximately 17.5% to the closing price of HK\$0.485 per Ordinary Share quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 14.5% to the average closing prices of HK\$0.468 per Ordinary Share for the last five consecutive trading days for the Ordinary Shares prior to the Last Trading Day; and
- (3) a discount of approximately 88.0% to the unaudited net asset value per Ordinary Share attributable to the Shareholders of approximately HK\$3.32 as at 30 September 2015.

The Exercise Price is subject to adjustments in the event of, among others, share consolidation, subdivision, capital distribution, issue of Ordinary Shares by way of capitalisation of profits or reserves, rights issues of Ordinary Shares (excluding the Rights Issue), grant of options or warrants over Ordinary Shares, issue of other convertible securities for cash as well as buy-back of Ordinary Shares (excluding any on exchange purchase) by the Company.

The Exercise Price was determined after arm's length negotiations between the Company and Chance Talent, taking into account the recent trading prices of the Ordinary Shares. The Directors consider that the Exercise Price is fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

Conditions precedent for the subscription of Warrants

The subscription of the Warrants by Chance Talent is conditional upon the following:

- (1) the Company obtaining approval from the Shareholders in respect of (i) the issue of the Warrants (if required) and (ii) the issue of the Warrant Shares;
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Warrant Shares on the Stock Exchange; and
- (3) other necessary regulatory approvals (including but not limited to approval of the Securities and Futures Commission, if required), and such approval and permission remaining in full force and effect.

If the above conditions are not fulfilled or waived within five months from the Closing Date (or such later date as may be agreed by the parties to the Warrants Subscription Agreement in writing), the Warrants Subscription Agreement shall lapse immediately thereafter and be of no further effect except that the Company shall remain liable for any liabilities arising before or in relation to such termination.

NOTES SUBSCRIPTION AGREEMENT

Date

21 December 2015 (after trading hours)

Parties

- (1) the Company as issuer; and
- (2) Chance Talent as noteholder.

Principal terms of the Notes

The principal terms of the Notes are summarised below:

Issuer:	The Company
Principal amount:	HK\$150,000,000 in aggregate
Maturity Date:	The Initial Maturity Date, or, if requested by the Company and Chance Talent agrees to such request, the Extended Maturity Date.
Interest rate:	10% per annum
Security:	The Notes will have the benefit of the security constituted by the Share Charges and a personal guarantee provided by Mr. Guo.
Status:	The Notes will be constituted by the Note Instrument and constitute direct, unconditional and secured obligations of the Company and shall at all times rank pari passu without any preference among themselves.
Form:	The Notes will be issued in registered form.
Transferability:	The Notes may be transferred to any person.
Early redemption:	The Company may, at any time after the first anniversary of the Closing Date but no later than 20 Business Days before the Maturity Date, redeem the Notes (in whole or in part) in their principal amount outstanding and the interest accrued but unpaid thereunder, plus an amount that equals to any shortfall between such amount and an amount that would yield an Internal Rate of Return of 11% per annum on the principal amount of the Notes redeemed, plus an early redemption premium of 0.5% on the principal amount of the Notes redeemed, plus any default interest.
Redemption on an event of default:	After the occurrence of an event of default, the Noteholder shall have the right to demand the Company to redeem the Notes (in whole or in part) in their principal amount outstanding and the interest accrued but unpaid thereunder, plus an amount that equals to any shortfall between such amount and an amount that would yield an Internal Rate of Return of 20% on the principal amount of the Notes redeemed, plus any default interest.

Redemption at the option of the Noteholder:

The Company must also redeem the Notes (in whole or in part) upon a Warrantholder elects to settle (in whole or in part) the subscription monies for the subscription of Warrant Shares with the outstanding amount under any Notes held by it, the applicable redemption price being the principal amount outstanding on the Notes and the interest accrued but unpaid thereunder, plus an amount that equals to any shortfall between such amount and an amount that would yield an Internal Rate of Return of 11% per annum on the principal amount of the Notes redeemed, plus any default interest.

Conditions precedent for the subscription of Notes

The subscription of the Notes by Chance Talent is conditional upon, inter alia, the following:

- (1) Chance Talent having performed and completed to its satisfaction 'know your customer', anti-money laundering or similar identification procedures in respect of the Company;
- (2) Chance Talent having received all of the conditions precedent documents in form and substance satisfactory to it;
- (3) evidence that Chance Talent has performed all necessary external, internal and corporate approvals and checks under all applicable laws and regulations, including but not limited to, investment committee approval;
- (4) the representations and warranties of the Company being true, accurate and correct and not misleading; and
- (5) no event of default is continuing or would result from the proposed issue by the Company of the Notes to Chance Talent.

If any of the above conditions have not been fulfilled or waived by Chance Talent on or before the day which falls on the expiry of 30 calendar days immediately following the date of the Notes Subscription Agreement (or such later date as may be agreed by the parties thereto in writing), then the Notes Subscription Agreement shall lapse immediately thereafter and be of no further effect and neither party shall have any claim against or liability or obligation to other party under the Notes Subscription Agreement save for any rights or obligations which may accrue prior to the date of such termination.

Completion of the subscription for the Notes is not conditional upon the completion of the subscription of the Warrants.

REASONS FOR THE ISSUE OF WARRANTS AND NOTES

The Company is an investment holding company. The Group is principally engaged in property development and holding of property for investment and rental purpose.

The reasons for the issue of Notes are to fund the Company's proposed investment in coal bed gas project (please refer to the Company's announcement dated 24 August 2015 for further details) and its general working capital requirements.

The Board considers that the issue of Warrants and Notes is an appropriate means of fund raising for the Company as it does not have any immediate dilution effect on the shareholding of the existing Shareholders. In addition to the net proceeds that would be raised upon issue of the Notes, further capital may be raised upon exercise of the Subscription Rights attaching to the Warrants.

The Board considers that the issue of Warrants and Notes provides opportunities for the Group to strengthen the Group's capital base and financial position to better equip the Group with the financial flexibility for development of the business of the Group, including but not limited to the Company's proposed investment in coal bed gas project.

The Directors (including the independent non-executive Directors) consider that the terms of the Warrants Subscription Agreement and Notes Subscription Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

It is expected that gross proceeds of HK\$150,000,000 will be raised by the issue of Notes and the net proceeds of approximately HK\$148,000,000 arising therefrom will be utilised by the Group, as to RMB110,000,000 (equivalent to approximately HK\$133,300,000) towards satisfaction of the payment obligation of the Company of certain refundable earnest deposit pursuant to a proposed acquisition as announced by the Company on 24 August 2015 and, as to the balance of HK\$14,700,000 as general working capital.

In respect of the issue of Warrants, assuming the full exercise of the Subscription Rights attaching to the Warrants, it is expected that gross proceeds of approximately HK\$75,000,000 will be raised (which will be reduced to the extent that a Warrantholder elects to settle (in whole or in part) the subscription monies for the subscription of Warrant Shares with the outstanding amount under any Notes held by it). The net proceeds of approximately HK\$75,000,000 (subject to reduction) will be used for general working capital of the Group, capital expenditures and future investment of the Group.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of Announcement/ Circular	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
28 April 2015, 22 July 2015 and 28 October 2015	Placing of bonds up to an aggregate principal amount of HK\$200,000,000	Approximately HK\$9.3 million	Financing potential property development and investment project(s) in the PRC	Not utilised yet as at the date of this announcement
29 April 2015, 15 May 2015 and 28 October 2015	Placing of 137,410,000 new Ordinary Shares at the price of HK\$0.37 each	Approximately HK\$49.3 million	Originally intended for financing potential property development and investment project(s) of the Group in the PRC, subsequently the intention was changed to apply the funds raised towards repaying debts, financing operating expenses and using as general working capital	Approximately HK\$35 million had been utilised to repay bank loans and other debts of the Group. HK\$4 million had been utilised for financing operating expenses. The remaining approximately HK\$10.3 million has not been utilised as at the date of this announcement but will be utilised as general working capital of the Group.

Date of Announcement/ Circular	Fund raising activity	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
28 October 2015 and 9 December 2015	The proposed Rights Issue	It is expected that the estimated net proceeds of the Rights Issue will be not less than approximately HK\$323 million	(i) Not more than approximately 70% or HK\$226.1 million for acquiring state-owned land use right(s) and financing potential residential or commercial properties property development project(s) in Shanghai; (ii) approximately 20% or HK\$64.6 million for repayment of the debts of the Group principally consisted of bank loans; and (iii) approximately 10% or HK\$32.3 million as working capital of the Group	N/A (the Rights Issue has not completed yet)

Except for the fund raising activity as mentioned above, the Company has not conducted an equity fund raising activity in the 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Since it is expected that the completion of Rights Issue will occur prior to the issue of Warrants, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue; and (iii) immediately after completion of the Rights Issue and exercise of the Subscription Rights attaching to the Warrants in full, assuming that (a) there are no other changes to the issued share capital of the Company; (b) there are no non-qualifying Shareholders under the Rights Issue and all Shareholders have taken up their respective entitlements of Rights Shares in full; and (c) the Exercise Price is HK\$0.40 per Ordinary Share, such that 187,500,000 Warrant Shares will be issued and allotted:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up their respective entitlements of Rights Shares in full)		Immediately after completion of the Rights Issue (assuming all Shareholders have taken up their respective entitlements of Rights Shares in full) and exercise of the Subscription Rights attaching to the Warrants in full (assuming the Exercise Price is HK\$0.40 per Ordinary Share)	
	Number of Ordinary Shares	%	Number of Ordinary Shares	%	Number of Ordinary Shares	%
Concert Group (Note 1)	200,000,000	24.26	600,000,000	24.26	600,000,000	22.55
Public Shareholders	624,462,446	75.74	1,873,387,338	75.74	1,873,387,338	70.40
Warrantholders	—	—	—	—	187,500,000	7.05
Total	824,462,446	100.00	2,473,387,338	100.00	2,660,887,338	100.00

Notes:

1. These 200,000,000 Ordinary Shares are held by United Century, a company wholly-owned by Mr. Guo. By virtue of the SFO, Mr. Guo, an executive Director, is deemed to be interested in these shares.
2. Except for Mr. Guo, none of the Directors have any interest in the Ordinary Shares, Convertible Preference Shares or other securities of the Company as at the date of this announcement.

SPECIFIC MANDATE TO ISSUE THE WARRANT SHARES

The issue of the Warrants is subject to the Shareholders' approval, and the Warrant Shares will be allotted and issued pursuant to the Specific Mandate, to be sought at the SGM. A circular containing further details of the Warrants Subscription Agreement, valuation report of the Warrants and the notice of SGM will be despatched to the Shareholders in due course.

IMPLICATIONS OF THE LISTING RULES

It is one of the conditions precedent to the issue of Warrants that the Company shall have obtained necessary regulatory approvals. Pursuant to Rule 15.02 of the Listing Rules, the Warrants must, prior to the issue thereof, be approved by the Stock Exchange (the "Approval"). As such, the Approval constitutes one of the conditions precedent to the issue of Warrants.

Pursuant to Rule 15.02(1) of the Listing Rules, in the absence of exceptional circumstances, the Stock Exchange will not grant the Approval if the Warrant Shares to be issued upon exercise of the Subscription Rights attaching to the Warrants, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the time the Warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of such limit.

As at the date of this announcement, the Company does not have any securities with subscription rights outstanding and not yet exercised and which are required to be aggregated with the Warrant Shares in accordance with Rule 15.02(1) of the Listing Rules.

It is expected that completion of the Rights Issue will occur prior to the issue of Warrants. Following completion of the Rights Issue, the issued share capital of the Company will be 2,473,387,338 Ordinary Shares, as enlarged by the allotment and issue of 1,648,924,892 Rights Shares (assuming no other changes to the issued share capital of the Company). Assuming that the Exercise Price is HK\$0.40, 187,500,000 Warrant Shares will fall to be issued and allotted, which will represent approximately 7.58% of the issued share capital of the Company following completion of the Rights Issue. In the event that the weighted volume average price of the Ordinary Shares for the 10 consecutive trading days immediately prior to the commencement of dealings in the Right Shares falls below HK\$0.40, as long as such price is equal to or higher than HK\$0.16, the number of Warrant Shares that fall to be issued and allotted will not exceed 20% of the issued share capital of the Company following completion of the Rights Issue. Under these circumstances, the issue of the Warrants would be in compliance with Rule 15.02(1) of the Listing Rules.

However, if the weighted volume average price of the Ordinary Shares for the 10 consecutive trading days immediately prior to the commencement of dealings in the Right Shares is less than HK\$0.16, the number of Warrant Shares to be issued and allotted will exceed 20% of the issued share capital of the Company following completion of the Rights Issue. Further, in the unlikely event that the Rights Issue does not become unconditional, 187,500,000 Warrant Shares will constitute approximately 22.74% of the existing issued share capital of the Company. Under these circumstances, it is unlikely that the Stock Exchange will grant the Approval and, unless and until the Company is able to comply with the requirements under Rule 15.02(1) of the Listing Rules and obtain the Approval, the issue of Warrants will not occur.

Completion of the issue of Warrants and the issue of Notes are subject to the satisfaction of the conditions precedent under the Warrants Subscription Agreement and Notes Subscription Agreement, respectively. As the issue of Warrants and/or the issue of Notes may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Ordinary Shares.

DEFINITIONS

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

“Board”	the board of Directors;
“Business Day(s)”	a day (other than a Saturday or Sunday) on which commercial banks are open for general banking transactions in Hong Kong;
“Chance Talent”	Chance Talent Management Limited, a company incorporated in the British Virgin Islands with limited liability;
“Closing Date”	the date on which completion of the issue of and the subscription for the Notes occurs;
“Company”	China Sandi Holdings Limited (Stock Code: 910), a company incorporated in Bermuda with limited liability, the Ordinary Shares of which are listed on the Main Board of the Stock Exchange;
“Concert Group”	Mr. Guo, United Century and parties acting in concert with any of them;
“Convertible Preference Shares”	non-redeemable convertible preference shares of nominal value of HK\$0.01 in the capital of the Company, entitling the holders thereof to convert one convertible preference share into one new Ordinary Share at the initial conversion price of HK\$3 per share (subject to adjustment);
“Director(s)”	director(s) of the Company;

“Exercise Period”	the period from the date of issue of the Warrants and ending on the Initial Maturity Date, or, if requested by the Company and Chance Talent agrees to such request, the Extended Maturity Date;
“Exercise Price”	the exercise price of the Subscription Rights per Warrant Share, being the lower of (i) HK\$0.40 per Ordinary Share; or (ii) the weighted volume average price of the Ordinary Shares for the 10 consecutive trading days immediately prior to the commencement of dealings in the Right Shares, subject to customary adjustment;
“Extended Maturity Date”	the date falling 36 months from the Closing Date, and if that is not a Business Day, the first Business Day thereafter;
“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 Third Parties”	party(ies) which is/are not connected person(s) (as defined under the Listing Rules) of the Company and is/are independent of the Company and its connected persons;
“Initial Maturity Date”	the date falling 24 months from the Closing Date, and if that is not a Business Day, the first Business Day thereafter;
“Internal Rate of Return”	the annual rate based on a 360-day period which, when used to discount all cash flows in respect of the Note, produces a net present value of such cash flows that equals to zero;
“Last Trading Day”	21 December 2015, being the last trading day for the Ordinary Shares before the date of this announcement;
“Maturity Date”	the Initial Maturity Date or the Extended Maturity Date (as the case may be);
“Mr. Guo”	Mr. Guo Jiadi, an executive Director and the chairman of the Company;
“Note Instrument”	the terms and conditions to be endorsed on the Notes substantially in the form set out in the Notes Subscription Agreement;
“Noteholder(s)”	registered holder(s) of the Notes from time to time;

“Notes”	the notes in the aggregate principal amount of HK\$150,000,000 to be issued by the Company pursuant to the Notes Subscription Agreement with the benefit of, and subject to, the terms and conditions set out in the Note Instrument;
“Notes Subscription Agreement”	the subscription agreement entered into between the Company as issuer and Chance Talent as noteholder dated 21 December 2015 in relation to the issue and subscription of the Notes;
“Ordinary Share(s)”	the ordinary share(s) of the Company with par value of HK\$0.01 each;
“PRC”	the People’s Republic of China, which for the purpose of this announcement and for geographical reference only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Rights Issue”	the proposed placing by the Company of 1,648,924,892 Rights Shares on the basis of two Rights Shares for every one Ordinary Share at the subscription price of HK\$0.20 per Rights Share, details of which is set out in the circular of the Company dated 9 December 2015;
“Rights Shares”	new Ordinary Shares to be issued and allotted under the Rights Issue;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“SGM”	the special general meeting of the Company to be convened to consider, and if thought fit, to approve the issue of Warrants and grant of Specific Mandate;
“Share Charges”	the share charges to be created in favour of Chance Talent by (i) United Century in respect of 221,166,666 Convertible Preference Shares and (ii) King Partner Holdings Limited in respect of 180,500,000 Convertible Preference Shares;
“Shareholder(s)”	holder(s) of the Ordinary Shares;
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the SGM for the allotment and issue of the Warrant Shares upon the exercise of the Subscription Rights;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Rights”	the rights of Warrantholders to subscribe for Warrant Shares;

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time);
“United Century”	United Century International Limited, a company incorporated in the British Virgin Islands which is directly and wholly owned by Mr. Guo;
“Warrant Instrument”	a separate instrument to be executed by the Company by way of a deed poll containing terms of the Warrants substantially in the form set out in the Warrants Subscription Agreement;
“Warrant Shares”	new Ordinary Shares to be allotted and issued upon exercise of the Subscription Rights attaching to the Warrants;
“Warrantholder(s)”	registered holder(s) of Warrants from time to time;
“Warrants”	the warrants to be issued by the Company pursuant to the Warrants Subscription Agreement entitling the holders thereof to subscribe for in aggregate up to a maximum amount of HK\$75,000,000 worth of Warrant Shares pursuant to the terms under the Warrant Instrument; and
“Warrants Subscription Agreement”	the warrants subscription agreement entered into between the Company as issuer and Chance Talent as investor dated 21 December 2015 in relation to the issue and subscription of Warrants.

By order of the Board
China Sandi Holdings Limited
Guo Jiadi
Chairman

Hong Kong, 21 December 2015

As at the date of this announcement, the Board comprises Mr. Guo Jiadi, Ms. Amika Lan E Guo and Mr. Lin Jianbin, being the executive Directors; and Dr. Wong Yun Kuen, Mr. Chan Yee Ping, Michael, Mr. Yu Pak Yan, Peter, Mr. Zheng Jinyun and Mr. Zheng Yurui, being the independent non-executive Directors.