

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINA SANDI HOLDINGS LIMITED

中國三迪控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00910)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF SECURITIES INVESTMENT**

On 1 September 2014, the Group disposed of its securities investment in 35,220,000 Kong Sun Shares to the Purchaser for an aggregate gross sale proceeds of HK\$35,220,000 (excluding transaction costs).

The Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules as certain of the applicable percentage ratios exceeded 5% but were less than 25%, which is subject to the reporting and announcement requirements under the Listing Rules.

THE DISPOSAL

On 1 September 2014, the Group disposed of the 35,220,000 Kong Sun Shares to the Purchaser through the signing of the bought and sold note, at a price of HK\$1.00 per Kong Sun Share, for an aggregate gross sale proceeds of approximately HK\$35,220,000 (excluding transaction costs).

The Purchaser is a company incorporated under the laws of the BVI with limited liability, which is wholly owned by Mr. Wei Gao. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the purchaser of the Kong Sun Shares and Mr. Wei Gao, the ultimate beneficial owner of the Purchaser, are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

ASSETS DISPOSED

The Group disposed of its securities investment in 35,220,000 Kong Sun Shares, representing approximately 0.42% of the issued share capital of Kong Sun (based on the 8,290,742,519 Kong Sun Shares in issue as at 8 August 2014 according to the publicly available information).

CONSIDERATION

The aggregate gross sale proceeds of the Disposal were approximately HK\$35,220,000 (excluding transaction costs), which will be received in cash upon settlement. The consideration for the Disposal represents:

- (i) A discount of approximately 9.09% to the closing price of HK\$1.10 per Kong Sun Share as quoted on the Stock Exchange on 29 August 2014;
- (ii) A discount of approximately 11.19% to the average closing price of HK\$1.126 per Kong Sun Share as quoted on the Stock Exchange for the five consecutive trading days up to and including 29 August 2014.

The consideration was determined after arm's length negotiations between the Group and the Purchaser. As discussed in the paragraph headed "Reasons for and benefits of the Disposal" of this announcement, after assessing the liquidity factor on the huge volume of Kong Sun Shares being disposed of, and the realized huge returns as compared to the cost of investment, the Directors consider disposing the Kong Sun Shares to the Purchaser at a discount to the closing market prices is justifiable.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

The Group had held the Kong Sun Shares for short-term securities investment purposes. The purpose of the Disposal is to balance its securities investment portfolio. As a result of the Disposal, the Group has recognized a profit of approximately HK\$18,314,400 calculated on the basis of the difference between the fair value of these Kong Sun Shares as at 31 March 2014 and the aggregate gross sale proceeds (exclusive of the transaction costs). The Group will use the proceeds of the Disposal for general working capital.

The Disposal was made at arm's length negotiation between both parties and the Directors are of the view that the Disposal was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE DISPOSED SECURITIES INVESTMENT

According to publicly available information, Kong Sun is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 295). Kong Sun was principally engaged in properties investment,

manufacturing and sale of life-like plants and securities investment and photovoltaic power station investments. Further information on Kong Sun can be found on the website of the Stock Exchange at www.hkex.com.hk.

FINANCIAL INFORMATION OF KONG SUN

Set out below is a summary of the financial information of Kong Sun, as extracted from the annual reports of Kong Sun for each of the two years ended 31 December 2012 and 2013 and the unaudited interim results announcement of Kong Sun for the six months ended 30 June 2014:

	For the year ended		For the six
	31 December		months ended
	2012	2013	30 June
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	8,560	9,229	3,126
Loss for the year/period	<u>(10,901)</u>	<u>(7,786)</u>	<u>(2,335)</u>

As at 30 June 2014, the total equity of Kong Sun as extracted from the unaudited interim results announcement of Kong Sun for the six months ended 30 June 2014 were approximately HK\$272.2 million.

LISTING RULES IMPLICATION

As certain of the applicable percentage ratios exceeded 5% but were less than 25%, the Disposal constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	China Sandi Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Group of a total of 35,220,000 Kong Sun Shares to the Purchaser for a cash consideration of HK\$35,220,000
“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 People’s Republic of China
“Kong Sun”	Kong Sun Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Kong Sun Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Kong Sun, listed on the main board of the Stock Exchange and traded in Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules
“Purchaser”	Novel Rainbow Limited, a company incorporated in the British Virgin Island with limited liability, which is in turn wholly-owned by Mr. Wei Gao

“Shareholder(s)”	holder(s) of ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
China Sandi Holdings Limited
Chi Chi Hung, Kenneth
Executive Director and Company Secretary

Hong Kong, 1 September 2014

As at the date of this announcement, the Board comprises Mr. Chi Chi Hung, Kenneth, Ms. Zhang Jianchan and Ms. Amika Lan E Guo, 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.