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**VANTAGE  
INTERNATIONAL  
(HOLDINGS) LIMITED**  
盈信控股有限公司

**YOUTH FORCE ASIA LTD.**

*(Incorporated in the British Virgin  
Islands with limited liability)*

*(Incorporated in Bermuda with  
limited liability)*

**(Stock Code: 15)**



**EXCEL  
DEVELOPMENT  
(HOLDINGS) LIMITED**  
怡益控股有限公司

*(Incorporated in the Cayman Islands with  
limited liability)*

**(Stock Code: 1372)**

#### **JOINT ANNOUNCEMENT**

- (1) ACQUISITION OF SALE SHARES BY THE OFFEROR;**
- (2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY KINGSTON SECURITIES LIMITED ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED EXCEL SHARES (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT);**
- (3) PROPOSED PAYMENT OF SPECIAL CASH DIVIDEND BY EXCEL DEVELOPMENT;**
- (4) SPECIAL DEALS: THE SUREGUARD LOAN AND THE SHARE CHARGE;**
- (5) MAJOR TRANSACTION: DISPOSAL OF THE SALE SHARES BY VANTAGE; AND**
- (6) RESUMPTION OF TRADING IN THE EXCEL SHARES AND THE VANTAGE SHARES**

**Financial adviser to Youth Force Asia Ltd.**



**KINGSTON CORPORATE FINANCE LTD.**

#### **SALE AND PURCHASE AGREEMENT**

Reference is made to the Preliminary Joint Announcement in relation to, among other things, the possible disposal of interests in Excel Development by Vantage. Reference is also made to the joint announcement of Vantage and Excel Development dated 14 May 2015 in relation to the entering into of the MOU between the Vendor, a direct wholly-owned subsidiary of Vantage and the Offeror. Excel Development was informed by the Vendor on 5 June 2015 that the Vendor, the Offeror and Vantage had entered into the Sale and Purchase Agreement, pursuant to which the Vendor had agreed to sell and the Offeror had agreed to purchase the Sale Shares, being the aggregate interest of 150,000,000 Excel Shares held by the Vendor, representing 75.00% of the entire issued share capital of Excel Development as at the date of this joint announcement, at an aggregate Consideration of HK\$485,010,000, representing HK\$3.2334 per Sale Share. The Offeror had paid the balance of the Consideration (after deduction of the stamp duty payable by the Vendor) to the Vendor in accordance with the terms of the Sale and Purchase Agreement and the HK\$10,000,000 deposit received by the Vendor from the Offeror pursuant to the MOU had been applied towards part payment of the Consideration at Completion.

There is no condition precedent to the Sale and Purchase Agreement. Completion took place on the same date of the Sale and Purchase Agreement.

Immediately prior to the entering into of the Sale and Purchase Agreement, the Vendor, being a direct wholly-owned subsidiary of Vantage, was interested in 150,000,000 Excel Shares, representing 75.00% of the entire issued capital of Excel Development as at the date of this joint announcement. Immediately following Completion, the Vantage Group has ceased to have any interest in the Excel Shares and Excel Development has ceased to be a subsidiary of the Vantage Group.

#### **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to the entering into of the Sale and Purchase Agreement, the Offeror and parties acting in concert with it did not own any Excel Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Excel Development. Immediately after Completion, the Offeror and the parties acting in concert with it became interested in a total of 150,000,000 Excel Shares, representing 75.00% of the entire issued share capital of Excel Development as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror will be required to make a mandatory unconditional cash offer for all the issued Excel Shares (other than those already acquired or agreed to be acquired by the Offeror and parties acting in concert with it). The Offer, when made, will be unconditional in all respects.

Kingston Securities, on behalf of the Offeror, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Excel Share accepted under the Offer . . . . . HK\$3.2334

The Offer Price of HK\$3.2334 per Offer Share is the same as the price per Sale Share of HK\$3.2334 paid by the Offeror to the Vendor pursuant to the Sale and Purchase Agreement.

As at the date of this joint announcement, there are 200,000,000 Excel Shares in issue. As the Offeror and parties acting in concert with it own 150,000,000 Excel Shares immediately after Completion and assuming there is no change in the issued share capital of Excel Development prior to the close of the Offer, 50,000,000 Excel Shares will be subject to the Offer and the total value of the Offer would be approximately HK\$161,670,000 based on the Offer Price and on the basis of full acceptances of the Offer. The principal terms of the Offer are summarised in the section headed “B. Possible Mandatory Unconditional Cash Offer” of this joint announcement.

#### **PROPOSED PAYMENT OF SPECIAL CASH DIVIDEND BY EXCEL DEVELOPMENT**

Reference is made to the Special Cash Dividend Announcement pursuant to which the Excel Board, on 5 June 2015, recommended the declaration and payment of the Special Cash Dividend of HK\$50,000,000, representing HK\$0.25 per Excel Share from the Share Premium Account. The declaration and payment of the Special Cash Dividend is conditional upon, inter alia, the passing of an ordinary resolution by the Excel Shareholders declaring and approving the payment of the Special Cash Dividend out of the Share Premium Account pursuant to Excel Development’s articles of association.

Further details of the Special Cash Dividend will be set out in the circular to be despatched by Excel Development to the Excel Shareholders.

### **SPECIAL DEALS: THE SUREGUARD LOAN AND THE SHARE CHARGE**

On 5 June 2015, Sureguard, an indirect wholly-owned subsidiary of Vantage, has entered into the Loan Agreement with Best Trader, a direct wholly-owned subsidiary of Excel Development. Pursuant to the Loan Agreement, Sureguard has agreed to make available an interest-free loan facility of HK\$50,000,000 to Best Trader for a term of 30 months from the date of the Loan Agreement. Sureguard has also agreed not to demand repayment of part or all of the Sureguard Loan before the expiry of such 30-month term unless one or more of the events of default as specified in the Loan Agreement has occurred.

To secure the repayment obligations of Best Trader under the Loan Agreement, on 5 June 2015, Best Trader has entered into the Deed of Share Charge to create a share charge in favour of Sureguard over the entire issued share capital of Great Jump, an indirect wholly-owned subsidiary of Excel Development and the holding company of Excel Engineering and Excel Construction. Pursuant to the Deed of Share Charge, Sureguard shall not enforce the Share Charge (i) unless an event of default as defined in the Loan Agreement has occurred and (ii) until the earlier of the expiration of the term of the Loan Agreement (being 30 months from the date of the Loan Agreement) or the termination of the Sureguard Loan in accordance with the provisions of the Loan Agreement.

The Sureguard Loan and the Share Charge constitute special deals under the Takeovers Code which require the prior consent of the Executive under Rule 25 of the Takeovers Code. The Executive will normally consent to the Sureguard Loan and the Share Charge provided that the Independent Financial Adviser publicly states that in its opinion, the terms of the Sureguard Loan and the Share Charge and the transactions contemplated thereunder are fair and reasonable and the Sureguard Loan and the Share Charge are approved by the Excel Independent Shareholders by way of poll at the Excel Development EGM.

Excel Development has made an application to the Executive for consent under Rule 25 of the Takeovers Code in relation to the Sureguard Loan and the Share Charge.

Excel Shareholders should note that such consent may or may not be granted by the Executive and, if such consent is not granted, the special deals in relation to the Sureguard Loan and the Share Charge will not proceed, in which case Excel Development will draw on its existing loan facilities with financial institutions, which are interest-bearing, to replenish its working capital needs. However, the Offer will still be made if such consent is not obtained and the special deals in relation to the Sureguard Loan and the Share Charge do not proceed.

### **EXCEL DEVELOPMENT EGM**

The Excel Development EGM will be held for the purpose of considering and, if thought fit, approving, among other things, the ordinary resolutions in respect of the Special Cash Dividend and the special deals in relation to the Sureguard Loan and the Share Charge by way of poll at the Excel Development EGM. The Sureguard Loan and the Share Charge are required to be approved by the Excel Independent Shareholders at the Excel Development EGM and the Special Cash Dividend is required to be approved by the Excel Shareholders at the Excel Development EGM.

Any Excel Shareholders who are involved in or interested in the Sureguard Loan and/or the Share Charge, the Offeror and its concert parties and the Vendor and its concert parties shall abstain from voting on the resolution approving the Sureguard Loan and the Share Charge at the Excel Development EGM.

A circular containing, among other things, (i) further information on the declaration and payment of the Special Cash Dividend, the Sureguard Loan and the Share Charge; (ii) the letter of recommendation from the Excel Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Excel Independent Board Committee and Excel Independent Shareholders in respect of the Sureguard Loan and the Share Charge; and (iii) a notice convening the Excel Development EGM, is expected to be despatched to the Excel Shareholders on or before 7 July 2015.

#### **DESPATCH OF COMPOSITE DOCUMENT**

It is the intention of the Offeror and Excel Development to combine the offer document and Excel Development's board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document, containing, among other things, (i) the terms and conditions of the Offer; (ii) the expected timetable of the Offer; (iii) the recommendation from the Excel Independent Board Committee to the Offer Shareholders and the advice from the Independent Financial Adviser to the Excel Independent Board Committee in respect of the Offer; and (iv) the relevant forms of acceptance, will be despatched to the Offer Shareholders as soon as practicable within 21 days of this joint announcement or such other date as may be approved by the Executive.

#### **EXCEL INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Excel Independent Board Committee, comprising all independent non-executive Excel Directors, namely Dr. Law Kwok Sang, Professor Patrick Wong Lung Tak and Ms. Mak Suk Hing, has been formed to advise the Excel Independent Shareholders in respect of the Sureguard Loan and the Share Charge, and the Offer Shareholders in respect of the Offer.

An Independent Financial Adviser will be appointed to advise the Excel Independent Board Committee and the Excel Independent Shareholders in respect of the Sureguard Loan and the Share Charge, and the Excel Independent Board Committee and the Offer Shareholders in respect of the Offer.

#### **VANTAGE SHAREHOLDERS' APPROVAL**

As one or more of the applicable percentage ratios for the Share Sale is more than 25% but less than 75% for Vantage, the Share Sale constitutes a major transaction for Vantage and is therefore subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

As none of the Vantage Shareholders has a material interest in the Share Sale and the transactions contemplated thereunder, none of them would be required to abstain from voting if Vantage were to convene a Vantage Shareholders' meeting to approve the same. Vantage has obtained a written approval for the Share Sale and the transactions contemplated thereunder from a closely allied group of Vantage Shareholders comprising Winhale Ltd., Fame Yield International Limited and Mr. NGAI Chun Hung, the chairman of the Vantage Board, who together hold more than 50% of the Vantage Shares pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting of Vantage for approving the Share Sale and the transactions contemplated thereunder. Accordingly, no special general meeting of Vantage will be convened for the purpose of approving the Share Sale as a major transaction.

A circular containing, among other things, details of the Share Sale, is expected to be despatched to the Vantage Shareholders for their reference, on or before 7 July 2015.

### **SUSPENSION AND RESUMPTION OF TRADING IN EXCEL SHARES AND VANTAGE SHARES**

At the request of Excel Development, trading in the Excel Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 5 June 2015 pending the release of this joint announcement. Application has been made by Excel Development for resumption of trading in the Excel Shares on the Stock Exchange with effect from 9:00 a.m. on 16 June 2015.

At the request of Vantage, trading in the Vantage Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 5 June 2015 pending the release of this joint announcement. Application has been made by Vantage for resumption of trading in the Vantage Shares on the Stock Exchange with effect from 9:00 a.m. on 16 June 2015.

## **A. THE SALE AND PURCHASE AGREEMENT**

### **Date:**

5 June 2015

### **Parties:**

- (1) Profit Chain (as vendor)
- (2) Youth Force (as purchaser)
- (3) Vantage, which wholly-owns Profit Chain (as guarantor)

To the best of the Vantage Directors' knowledge, information and belief having made all reasonable enquiries, immediately before the execution of the Sale and Purchase Agreement, each of Youth Force, its ultimate beneficial owner and parties acting in concert with them was (i) independent of and not connected with Vantage and its connected persons (as defined in the Listing Rules) and (ii) not acting in concert with any of them.

To the best of Excel Directors' knowledge, information and belief having made all reasonable enquiries, immediately before the execution of the Sale and Purchase Agreement, each of Youth Force, its ultimate beneficial owner and parties acting in

concert with them was (i) independent of and not connected with Excel Development and its connected persons (as defined in the Listing Rules) and (ii) not acting in concert with any of them.

### **The Sale Shares**

The Sale Shares comprise a total of 150,000,000 Excel Shares, representing 75.00% of the entire issued share capital of Excel Development as at the date of this joint announcement. The Sale Shares will be acquired by the Offeror free from all encumbrances and together with all rights attached to the Sale Shares with effect from the Completion Date, including but not limited to the right to receive all dividends and distributions paid or declared on and from such date (including any entitlements to the Special Cash Dividend).

### **Consideration and payment terms**

The total Consideration for the Sale Shares is HK\$485,010,000 (equivalent to HK\$3.2334 per Sale Share). The entire Consideration has been satisfied by the Offeror in accordance with the Sale and Purchase Agreement in the following manner:

- (a) upon signing of the MOU, a deposit of HK\$10,000,000 had been paid to the Vendor by the Offeror and which, upon Completion, was applied towards satisfaction of part of the Consideration payable to the Vendor by the Offeror under the Sale and Purchase Agreement; and
- (b) the remaining balance of HK\$474,069,500 (after deduction of the stamp duty payable by the Vendor) had been paid by the Offeror to the Vendor upon Completion, in immediate available funds by electronic transfer to the Vendor.

The Vantage Board considers that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of Vantage and the Vantage Shareholders as a whole.

The Consideration for the Sale Shares was agreed between the Offeror and the Vendor after arm's length negotiations, taking into account (i) the unaudited consolidated net asset value of the Excel Group as at the Completion Date; (ii) the financial performance and business outlook of the Excel Group; (iii) the then prevailing market prices of the Excel Shares as at the time of negotiation between the Offeror and the Vendor; (iv) the Sureguard Loan; (v) the fact that the Offeror will be entitled to the Special Cash Dividend; and (vi) the fact that the Offeror will be able to exercise statutory control over Excel Development upon Completion.

The Vantage Board, having considered all the above factors, considers that the Consideration for the Sale Shares is fair and reasonable and in the interests of Vantage and the Vantage Shareholders as a whole, despite the discount between the Consideration per Sale Share and the Excel Share price as at the Last Trading Day.

The Vantage Board considers that the Excel Share prices are subject to fluctuation from time to time and there is no certainty that it will stay at the current level. The Vantage Directors particularly noted that during most of the time since the listing of Excel Development on 11 December 2013 to 20 April 2015, when Vantage and Excel Development first published the Preliminary Joint Announcement regarding the possible disposal of interest in Excel Development by the Vendor, the Excel Share prices were below the Offer Price of HK\$3.2334 per Excel Share.

## **Completion**

There is no condition precedent to the Sale and Purchase Agreement. Completion took place on the date of the Sale and Purchase Agreement.

Immediately prior to the entering into of the Sale and Purchase Agreement, the Vendor, being a direct wholly-owned subsidiary of Vantage, was interested in 150,000,000 Excel Shares, representing 75.00% of the issued share capital of Excel Development as at the date of this joint announcement. Immediately following Completion, the Vantage Group has ceased to have any interests in the Excel Shares and Excel Development has ceased to be a subsidiary of the Vantage Group.

## **Vendor's Indemnity**

The Vendor, under the Sale and Purchase Agreement, has agreed to indemnify the Offeror and the Excel Group from and against all actions, claims, proceedings, loss, damage, payments, costs or expenses incurred or suffered by the Offeror and the Excel Group in relation to any breach of (i) the guarantees in relation to any indebtedness of the Excel Group given and to be given by Excel Development and (ii) the confirmations given by the executive and non-executive Excel Directors thereunder or undertakings given by the directors of Excel Engineering.

## **Vantage's Undertaking**

Vantage, being a party to the Sale and Purchase Agreement, has agreed to the Offeror if and only if the Vendor defaults for any reason in the full or partial payment to be made by the Vendor of any claim pursuant to the Sale and Purchase Agreement, Vantage shall upon demand make such payment or shortfall of such payment with respect to such default in the manner prescribed by the Sale and Purchase Agreement. Save for this undertaking, no other representation, warranty, undertaking and/or indemnity has been made by Vantage to the Offeror under the Sale and Purchase Agreement.

## **Reasons for disposal of Sale Shares**

The Vantage Group is principally engaged in property investment and development and a wide range of building construction, building maintenance, civil engineering and other contract works in the public and private sectors in Hong Kong. All civil engineering projects have been engaged through the Excel Group.

The Vantage Directors consider that the Share Sale not only provides an immediate opportunity for Vantage to unlock the value of the Excel Group, but it also enables the management of the Vantage Group to re-allocate the Vantage Group's resources and focus on the remaining businesses, especially on the property development and building construction businesses. The Vantage Directors are of the view that the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of Vantage and its shareholders as a whole.

Based on the unaudited financial statements of the Excel Group, Vantage expects to recognise a gain of more than HK\$290 million (after deducting all the professional fees, agency fees and other transaction costs) from the Share Sale. The net proceeds received by the Vendor from the Share Sale (after deducting professional fees, agency fees, and other

transaction costs) are estimated to be approximately HK\$461 million. As the Vendor is wholly-owned by Vantage, all of the total proceeds are attributable to Vantage and will be applied as general working capital for the business of the Vantage Group.

## **B. POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to the entering into of the Sale and Purchase Agreement, the Offeror and parties acting in concert with it did not own any Excel Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Excel Development. Immediately after Completion, the Offeror and the parties acting in concert with it became interested in a total of 150,000,000 Excel Shares, representing 75.00% of the entire issued share capital of Excel Development as at the date of this joint announcement. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror will be required to make a mandatory unconditional cash offer for all the issued Excel Shares (other than those already acquired or agreed to be acquired by the Offeror and parties acting in concert with it). The Offer, when made, will be unconditional in all respects.

### **Principal terms of the Offer**

Kingston Securities, on behalf of the Offeror, will make the Offer on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For every Excel Share accepted under the Offer . . . . . HK\$3.2334

The Offer Price of HK\$3.2334 per Offer Share is the same as the price per Sale Share of HK\$3.2334 paid by the Offeror to the Vendor pursuant to the Sale and Purchase Agreement and was arrived at after arm's length negotiations between the Offeror and the Vendor.

The Offer will be extended to all Offer Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them on or after the date on which the Offer is made, being the date of despatch of the Composite Document, or subsequently becoming attached to them (including the entitlements to the Special Cash Dividend).

The Offer will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimum number of Excel Shares or any other conditions.

As at the date of this joint announcement, Excel Development has no outstanding warrants, options, derivatives, convertibles or other securities in issue which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Excel Shares.



## Comparison of value

The Offer Price of HK\$3.2334 is equivalent to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement and represents:

- (i) a discount of approximately 48.43% to the closing price of HK\$6.270 per Excel Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 47.30% to the average of the closing prices of HK\$6.136 per Excel Share as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 41.52% to the average of the closing prices of HK\$5.529 per Excel Share as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 24.77% to the average of the closing prices of HK\$4.298 per Excel Share as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 15.11% to the average of the closing prices of HK\$2.809 per Excel Share as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Day;
- (vi) a discount of approximately 46.29% to the price of HK\$6.020 per Excel Share (being a theoretical trading price assuming the Special Cash Dividend of approximately HK\$0.25 per Excel Share had been declared and paid with reference to the closing price of HK\$6.270 per Excel Share as quoted on the Stock Exchange for the Last Trading Day);
- (vii) a discount of approximately 45.07% to the price of HK\$5.886 per Excel Share (being a theoretical trading price assuming the Special Cash Dividend of approximately HK\$0.25 per Excel Share had been declared and paid with reference to the average closing price of HK\$6.136 per Excel Share as quoted on the Stock Exchange for the 5 trading days immediately prior to and including the Last Trading Day);
- (viii) a discount of approximately 38.75% to the price of HK\$5.279 per Excel Share (being a theoretical trading price assuming the Special Cash Dividend of approximately HK\$0.25 per Excel Share had been declared and paid with reference to the average closing price of HK\$5.529 per Excel Share as quoted on the Stock Exchange for the 10 trading days immediately prior to and including the Last Trading Day);
- (ix) a discount of approximately 20.12% to the price of HK\$4.048 per Excel Share (being a theoretical trading price assuming the Special Cash Dividend of approximately HK\$0.25 per Excel Share had been declared and paid with reference to the average closing price of HK\$4.298 per Excel Share as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day);
- (x) a premium of approximately 26.35% to the price of HK\$2.559 per Excel Share (being a theoretical trading price assuming the Special Cash Dividend of approximately HK\$0.25 per Excel Share had been declared and paid with reference to the average closing price of HK\$2.809 per Excel Share as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Day);

- (xi) a premium of approximately 190.77% over the unaudited net asset value attributable to equity holders of Excel Development of approximately HK\$1.112 per Excel Share as at 30 September 2014; and
- (xii) a premium of approximately 207.65% over the audited net asset value attributable to equity holders of Excel Development of approximately HK\$1.051 per Excel Share as at 31 March 2014 (based on the number of Excel Shares then in issue).

### **Highest and lowest Excel Share prices**

The highest and lowest closing prices of the Excel Shares as quoted on the Stock Exchange during the six-month period immediately prior to 20 April 2015, being the commencement date of the Offer up to and including the Last Trading Day, were HK\$6.76 per Share on 3 June 2015 and HK\$1.58 per Share on 28 October 2014, respectively.

### **Total value of the Offer**

As at the date of this joint announcement, there are 200,000,000 Excel Shares in issue. As the Offeror and parties acting in concert with it own 150,000,000 Excel Shares immediately after Completion and assuming there is no change in the issued share capital of Excel Development prior to the close of the Offer, 50,000,000 Excel Shares will be subject to the Offer and the total value of the Offer would be approximately HK\$161,670,000 based on the Offer Price and on the basis of full acceptances of the Offer.

### **Financial resources available to the Offeror**

The financial resources required from the Offeror to satisfy the consideration for the Offer amount to HK\$161,670,000. The Offeror intends to finance the cash consideration for the Offer by the facilities granted by Kingston Securities (as lender) to the Offeror (as borrower) for the purpose of financing the Offer.

Kingston Corporate Finance, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer as described above.

### **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date on which the relevant documents of title are received by the Offeror to render such acceptance complete and valid.

### **Effect of accepting the Offer**

The Offer, immediately following Completion, has become unconditional. By accepting the Offer, the Offer Shareholders will sell their Excel Shares to the Offeror free from encumbrances and together with all rights attaching to the Excel Shares, and all dividends and distributions (including the entitlements to the Special Cash Dividend) recommended, declared, made or paid on such Excel Shares on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offer by any Offer Shareholder will be deemed to constitute a warranty by such person that all Excel Shares sold by such person under the Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions (including the Special Cash Dividend) recommended, declared, made or paid, if any, on or after the date on which the Offer is made, being the date of despatch of the Composite Document. Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

### **Stamp duty**

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer amounting to 0.1% (or part thereof) of the consideration payable in respect of the relevant acceptance by the Offer Shareholders or, if higher, the market value of the Excel Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the laws of Hong Kong), will be deducted from the amount payable to the Offer Shareholders who accept the Offer. The Offeror will bear the buyer's Hong Kong ad valorem stamp duty as purchaser of the Excel Shares and will arrange for the payment of the stamp duty in connection with such sales and purchases.

### **Overseas Offer Shareholders**

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, the Overseas Offer Shareholders who are citizens or residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements and where necessary seek legal advice. It is the responsibility of the Overseas Offer Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdiction).

**Any acceptance by any Offer Shareholder will be deemed to constitute a representation and warranty from such shareholder to the Offeror that the local laws and requirements have been complied with. The Offer Shareholders should consult their professional advisers if in doubt.**

### **Dealing in Excel Development's securities**

For the six months immediately prior to 20 April 2015 (being the date on which Excel Development announced the possible acquisition of the interest in Excel Development by a potential purchaser), save for the entering into of the MOU and the Sale and Purchase Agreement, the Offeror, its ultimate beneficial owner or any party acting in concert with any of them have not dealt in nor have they had any Excel Shares or relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) of Excel Development.

## Other arrangements

The Offeror confirms that, save as disclosed in this joint announcement, as at the date hereof:

- (i) the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of the securities in Excel Development which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or Excel Shares and which may be material to the Offer (as referred to in note 8 to Rule 22 of the Takeovers Code);
- (iv) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Excel Shares or convertible securities, options, warrants or derivatives of Excel Development;
- (v) save for the MOU and the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) there is no relevant security (as defined in note 4 to Rule 22 of the Takeovers Code) in Excel Development which the Offeror and/or any person acting in concert with any of them has borrowed or lent.

**Offer Shareholders are reminded to read the recommendations of the Excel Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which will be included in the Composite Document before deciding whether or not to accept the Offer.**

## Effect of Completion on shareholding structure of Excel Development

For illustration purposes, set out below is the shareholding structure of Excel Development immediately prior to and after Completion:

	<b>Immediately prior to Completion</b>		<b>Immediately after Completion</b>	
	<i>Number of Excel Shares held</i>	<i>%</i>	<i>Number of Excel Shares held</i>	<i>%</i>
The Offeror and parties acting in concert with it	—	—	150,000,000	75.00
The Vendor ( <i>Note 1</i> )	150,000,000	75.00	—	—
Public	<u>50,000,000</u>	<u>25.00</u>	<u>50,000,000</u>	<u>25.00</u>
Total	<u><u>200,000,000</u></u>	<u><u>100.00</u></u>	<u><u>200,000,000</u></u>	<u><u>100.00</u></u>

*Note:*

1. The Vendor is wholly-owned by Vantage. As such, Vantage is deemed to be interested in the 150,000,000 Excel Shares owned by the Vendor by virtue of the SFO.

### **Information on Excel Development**

Excel Development, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange, is an investment holding company. Its subsidiaries are principally engaged in civil engineering works as well as building construction and maintenance in Hong Kong.

Set out below is the audited financial information of Excel Development for the two years ended 31 March 2013 and 2014:

	<b>For the year ended 31 March 2013</b> <i>(HK\$'000)</i>	<b>For the year ended 31 March 2014</b> <i>(HK\$'000)</i>
Profit before taxation	47,941	36,034
Profit after taxation	40,066	28,396
Net profit	40,066	28,396

### **Information on Vantage**

The principal activities of Vantage are investment holding and the provision of corporate management services. Its subsidiaries are principally engaged in property investment and development and a wide range of building construction, building maintenance, civil engineering and other contract works in Hong Kong.

### **Information on the Offeror**

The Offeror is a company incorporated in BVI with limited liability. The Offeror is an investment holding company, which is legally and beneficially owned as to 100% by Mr. JIANG Jianhui, who is the sole director of the Offeror as at the date of this joint announcement. The Offeror is principally engaged in investment holding and does not have any assets as at the date of this joint announcement.

Mr. Jiang Jianhui, aged 40, has extensive experience in the financial services and investment industry in the People's Republic of China. Mr. Jiang used to be the general manager of a major non-banking financial institution in the People's Republic of China which is principally engaged in, among others, money-lending, guarantee and pawning businesses.

### **Future intentions of the Offeror in relation to Excel Development**

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Excel Group. The Offeror would conduct a review on the financial position and the operations of the Excel Group and would explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification would be appropriate to enhance the long-term growth potential

of the Excel Group. The Offeror has no intention to (i) discontinue the employment of any employees of the Excel Group; or (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business.

### **Proposed change of the Excel Board**

The Excel Board is currently made up of six Directors, comprising (i) Mr. LI Chi Pong and Mr. POON Yan Min as executive Excel Directors; (ii) Mr. YAU Kwok Fai as non-executive Excel Director; and (iii) Dr. LAW Kwok Sang, Professor Patrick WONG Lung Tak and Ms. MAK Suk Hing as independent non-executive Excel Directors. Pursuant to the terms of the Sale and Purchase Agreement, subject to Completion, the Vendor shall cause such Excel Directors as may be notified by the Offeror to the Vendor to give notice to resign as Excel Directors with effect from the earliest time permitted under the Takeovers Code. Such resignation will not take effect earlier than the date of the close of the Offer.

In addition, pursuant to the terms of the Sale and Purchase Agreement, the Vendor shall cause such persons as the Offeror may nominate to be validly appointed as Excel Directors with effect from the earliest time permitted under the Takeovers Code. Such appointment will not take effect earlier than the date of despatch of the Composite Document in relation to the Offer, subject to the requirements of the Takeovers Code. A further announcement will be made on any further proposed change of the composition of the Excel Board.

Any changes to the Excel Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

### **Public float and maintaining the listing status of Excel Development**

As at the close of the Offer, if less than 25% of the issued Excel Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Excel Shares; or (ii) there are insufficient Excel Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Excel Shares under the Listing Rules.

In this connection, it should be noted that upon the close of the Offer, there may be insufficient public float for the Excel Shares and therefore trading in the Excel Shares may be suspended until a sufficient level of public float is attained. Each of the Offeror and Excel Development will undertake to the Stock Exchange that it will, in such event, use all its reasonable endeavours to take appropriate steps following the close of the Offer to ensure that such number of Excel Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame following close of the Offer.

## **C. PROPOSED PAYMENT OF SPECIAL CASH DIVIDEND BY EXCEL DEVELOPMENT**

Reference is made to the Special Cash Dividend Announcement pursuant to which the Excel Board, on 5 June 2015, recommended the declaration and payment of the Special Cash Dividend of HK\$50,000,000, representing HK\$0.25 per Excel Share from the Share Premium Account. The declaration and payment of the Special Cash Dividend is

conditional upon, inter-alia, the passing of an ordinary resolution by the Excel Shareholders declaring and approving the payment of the Special Cash Dividend out of the Share Premium Account pursuant to Excel Development's articles of association.

Subject to the fulfilment of the above condition, it is expected that the Special Cash Dividend will be paid to those Excel Shareholders whose names appear on the register of members of Excel Development on the Record Date (being a date falling after the close of the Offer for determination of entitlements to the Special Cash Dividend).

Since the Record Date falls on a date after the close of the Offer, those Offer Shareholders who have tendered their acceptance of the Offer will not be entitled to the right to receive the Special Cash Dividend.

Excel Development will announce the Record Date in accordance with Rule 13.66 of the Listing Rules as and when appropriate.

Further details of the Special Cash Dividend will also be set out in the circular to be despatched by Excel Development to the Excel Shareholders.

#### **D. SPECIAL DEALS: THE SUREGUARD LOAN AND THE SHARE CHARGE**

##### **Loan Agreement**

On 5 June 2015, Sureguard, an indirect wholly-owned subsidiary of Vantage, has entered into the Loan Agreement with Best Trader, a direct wholly-owned subsidiary of Excel Development. Pursuant to the Loan Agreement, Sureguard has agreed to make available an interest-free loan facility of HK\$50,000,000 to Best Trader for a term of 30 months from the date of the Loan Agreement. Sureguard has also agreed not to demand repayment of part or all of the Sureguard Loan before the expiry of such 30-month term unless one or more of the following events of default has occurred:

- (a) Best Trader fails to pay any sum payable under the Finance Document when due or otherwise in accordance with the provisions thereof;
- (b) any representation or warranty made or deemed to be made by Best Trader in or in connection with the Finance Document proves to have been materially incorrect or misleading;
- (c) the Finance Document or any provision thereof ceases for any reason to be in full force and effect, is terminated or jeopardized, or becomes invalid or unenforceable as adjudicated by a court of competent jurisdiction;
- (d) Best Trader (i) ceases to carry on its business or any substantial part thereof; (ii) changes the nature or scope of its business; or (iii) disposes of or any governmental authority expropriates or threatens to expropriate all or any substantial part of its business or assets; and
- (e) the occurrence of any event with material adverse effect as defined in the Loan Agreement.

Pursuant to the Loan Agreement, if Best Trader defaults in repayment of any sum payable under the Loan Agreement when due, Sureguard shall be entitled to default interest at the rate of 8% per annum plus prime rate as may from time to time be quoted by The Hongkong and Shanghai Banking Corporation.

### **Deed of Share Charge**

To secure the repayment obligations of Best Trader under the Loan Agreement, on 5 June 2015, Best Trader entered into the Deed of Share Charge pursuant to which Best Trader has charged in favour of Sureguard the entire issued share capital of Great Jump, an indirect wholly-owned subsidiary of Excel Development and the holding company of Excel Engineering and Excel Construction by way of first fixed charge and all the rights, title and interests of Best Trader in the entire issued share capital of Great Jump present and future. Pursuant to the Deed of Share Charge, Sureguard shall not enforce the Share Charge (i) unless any event of default as defined in the Loan Agreement has occurred and (ii) until the earlier of the expiration of the term of the Loan Agreement or the termination of the Sureguard Loan in accordance with the provisions of the Loan Agreement.

As the Sureguard Loan and the Share Charge constitute special deals under the Takeovers Code, the prior consent of the Executive under Rule 25 of the Takeovers Code will be required. The Executive will normally consent to the Sureguard Loan and the Share Charge provided that the Independent Financial Adviser publicly states that in its opinion, the terms of the Sureguard Loan and the Share Charge and the transactions contemplated thereunder are fair and reasonable and the Sureguard Loan and the Share Charge are approved by the Excel Independent Shareholders by way of poll at the Excel Development EGM.

Excel Development has made an application to the Executive for consent under Rule 25 of the Takeovers Code in relation to the Sureguard Loan and the Share Charge.

Excel Shareholders should note that such consent may or may not be granted by the Executive and, if such consent is not granted, the special deals in relation to the Sureguard Loan and the Share Charge will not proceed, in which case Excel Development will draw on its existing loan facilities with financial institutions, which are interest-bearing, to replenish its working capital needs. However, the Offer will still be made if such consent is not obtained and the special deals in relation to the Sureguard Loan and the Share Charge do not proceed.

### **Reasons for the Sureguard Loan and Share Charge**

The Excel Board has recommended the declaration and payment of the Special Cash Dividend in the amount of HK\$50,000,000 as set out in the Special Cash Dividend Announcement. After the payment of the Special Cash Dividend, Excel Group may have insufficient working capital to meet its business operations in the near future unless it decides to draw down on its existing loan facilities with financial institutions which are interest-bearing.

Taking into account of (i) the negotiations between the Vendor and the Offeror to address the Offeror's concern on the financial strength of the Excel Group after the Completion Date and after the payment of the Special Cash Dividend; (ii) the need to ensure smooth and stable transition of Excel Development's businesses; and (iii) the credit risk of



Vantage Group in relation to the provision of the Sureguard Loan which is secured by the Share Charge, the Vantage Board considers the provision of the Sureguard Loan to Best Trader is in the interest of the Vantage and its shareholders as a whole.

On the other hand, the Excel Board (excluding the Excel Independent Board Committee which will provide its recommendations after considering the advice of the Independent Financial Adviser) is of the view that the Sureguard Loan and the Share Charge are arm's length transactions to the Excel Group, on normal commercial terms or better, and are fair and reasonable and in the interest of the Excel Shareholders as a whole for the following reasons:

- (1) the Sureguard Loan, which is for a period of 30 months, is interest-free as compared to the existing loan facilities of the Excel Group bearing interest rates ranging from 2.18% to 2.38% as at the date of this joint announcement;
- (2) the Sureguard Loan is subject to fewer repayment obligations as compared to the existing loan facilities of the Excel Group; and
- (3) the Share Charge shall not be enforced (i) unless an event of default as defined in under the Loan Agreement has occurred and (ii) until the earlier of the expiration date of the Loan Agreement (being 30 months from the date of the Loan Agreement) or the termination of the Sureguard Loan in accordance with the provisions of the Loan Agreement.

#### **E. EXCEL DEVELOPMENT EGM**

The Excel Development EGM will be held for the purpose of considering and, if thought fit, approving, among other things, the ordinary resolutions in respect of the Special Cash Dividend and the special deals in relation to the Sureguard Loan and the Share Charge by way of poll at the Excel Development EGM. The Sureguard Loan and the Share Charge are required to be approved by the Excel Independent Shareholders at the Excel Development EGM and the Special Cash Dividend is required to be approved by the Excel Shareholders at the Excel Development EGM.

Any Excel Shareholders who are involved in or interested in the Sureguard Loan and/or the Share Charge, the Offeror and its concert parties and the Vendor and its concert parties shall abstain from voting on the resolution approving the Sureguard Loan and the Share Charge at the Excel Development EGM.

A circular containing, among other things, (i) further information on the declaration and payment of the Special Cash Dividend, the Sureguard Loan and the Share Charge; (ii) the letter of recommendation from the Excel Independent Board Committee and the letter of advice from the Independent Financial Adviser to the Excel Independent Board Committee and Excel Independent Shareholders in respect of the Sureguard Loan and the Share Charge; and (iii) a notice convening the Excel Development EGM, is expected to be despatched to the Excel Shareholders on or before 7 July 2015.

#### **F. DESPATCH OF COMPOSITE DOCUMENT**

It is the intention of the Offeror and Excel Development to combine the offer document and Excel Development's board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document, containing, among other things, (i) the terms and conditions of the Offer; (ii) the expected timetable of the Offer; (iii) the

recommendation from the Excel Independent Board Committee to the Offer Shareholders and the advice from the Independent Financial Adviser to the Excel Independent Board Committee in respect of the Offer; and (iv) the relevant forms of acceptance, is expected to be despatched to the Offer Shareholders as soon as practicable within 21 days of this joint announcement or such other date as may be approved by the Executive.

Further announcement(s) regarding the despatch of the Composite Document will be made in due course. The Excel Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Excel Independent Board Committee and the Excel Independent Shareholders, and the recommendation from the Excel Independent Board Committee to the Excel Independent Shareholders, in respect of the Offer, before deciding whether or not to accept the Offer.

#### **G. EXCEL INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Excel Independent Board Committee, comprising all independent non-executive Excel Directors, namely Dr. LAW Kwok Sang, Professor Patrick WONG Lung Tak and Ms. MAK Suk Hing, has been formed to advise the Excel Independent Shareholders in respect of the Sureguard Loan and the Share Charge, and the Offer Shareholders in respect of the Offer.

The Excel Independent Board Committee will not comprise Mr. Yau Kwok Fai, the non-executive Excel Director as he is one of the executive Vantage Directors, which is the holding company of the Vendor and was a controlling shareholder of Excel Development before the Completion. Given the role of Mr. Yau Kwok Fai as an executive director of the holding company of the Vendor (i.e. Vantage), he, through Vantage and the Vendor, has certain direct interest in the Share Sale which has triggered the Offer and therefore an indirect interest in the Offer.

An Independent Financial Adviser will be appointed by Excel Development to advise the Excel Independent Board Committee and the Excel Independent Shareholders in respect of the Sureguard Loan and the Share Charge, and the Excel Independent Board Committee and the Offer Shareholders in respect of the Offer.

The advice of the Independent Financial Adviser and the recommendation of the Excel Independent Board Committee in respect of the Offer, in particular, as to whether the Offer is fair and reasonable and as to its acceptance, will be included in the Composite Document.

#### **H. VANTAGE SHAREHOLDERS' APPROVAL FOR THE SHARE SALE**

As one or more of the applicable percentage ratios for the Share Sale is more than 25% but less than 75% for Vantage, the Share Sale constitutes a major transaction for Vantage and is therefore subject to the reporting, announcement and the shareholders' approval requirements under Chapter 14 of the Listing Rules.

As none of the Vantage Shareholders has a material interest in the Share Sale and the transactions contemplated thereunder, none of them would be required to abstain from voting if Vantage were to convene a Vantage Shareholders' meeting to approve the same. Vantage has obtained a written approval for the Share Sale and the transactions

contemplated thereunder from a closely allied group of Vantage Shareholders comprising of Winhale Ltd., Fame Yield International Limited and Mr. NGAI Chun Hung, the chairman of the Vantage Board, who together hold more than 50% of the Vantage Shares pursuant to Rule 14.44 of the Listing Rules in lieu of holding a general meeting of Vantage for approving the Share Sale and the transactions contemplated thereunder. Accordingly, no special general meeting of Vantage will be convened for the purpose of approving the Share Sale as a major transaction.

Mr. NGAI Chun Hung, is interested in 1,080,011,200 shares of Vantage, which comprise 6,250,800 shares held by himself, the deemed interest in 838,760,400 shares held by Winhale Ltd. and 235,000,000 shares held by Fame Yield International Limited by virtue of his interest in the entire issued share capital of Fame Yield International Limited and he is the settlor and a beneficiary of the Xyston Trust, a discretionary family trust set up by Mr. Ngai Chun Hung for the benefits of himself and his family which ultimately beneficially owns Winhale Ltd.

A circular containing, among other things, details of the Share Sale, is expected to be despatched to the Vantage Shareholders, on or before 7 July 2015.

## **I. DISCLOSURE OF DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, associates of Excel Development and the Offeror (including persons who own or control 5% or more of any class of relevant securities issued by Excel Development or the Offeror) are reminded to disclose their dealings in the securities of Excel Development pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **J. SUSPENSION AND RESUMPTION OF TRADING IN EXCEL SHARES AND VANTAGE SHARES**

At the request of Excel Development, trading in the Excel Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 5 June 2015 pending the release of this joint announcement. Application has been made by Excel Development for resumption of trading in the Excel Shares on the Stock Exchange with effect from 9:00 a.m. on 16 June 2015.

At the request of Vantage, trading in the Vantage Shares on the Stock Exchange was suspended with effect from 1:00 p.m. on 5 June 2015 pending the release of this joint announcement. Application has been made by Vantage for resumption of trading in the Vantage Shares on the Stock Exchange with effect from 9:00 a.m. on 16 June 2015.

## **DEFINITIONS**

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

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“associate”	has the meaning ascribed thereto in the Takeovers Code or the Listing Rules (as appropriate)
“Best Trader”	Best Trader International Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of Excel Development as at the date of this joint announcement
“BVI”	the British Virgin Islands
“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	the date of Completion
“Composite Document”	the formal composite offer document proposed to be jointly issued by the Offeror and Excel Development to the Offer Shareholders in connection with the Offer and in accordance with the Takeovers Code
“Consideration”	the consideration of HK\$485,010,000 payable by the Offeror to the Vendor in relation to the Share Sale pursuant to the Sale and Purchase Agreement
“Deed of Share Charge”	the deed of share charge dated 5 June 2015 entered into by Best Trader (as chargor) to create a share charge in favour of Sureguard (as chargee) over the entire issued share capital of Great Jump
“Excel Board”	the board of Excel Directors
“Excel Construction”	Excel Construction Development Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is held by Great Jump as at the date of this joint announcement

“Excel Development”	Excel Development (Holdings) Limited, 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: 1372)
“Excel Development EGM”	the extraordinary general meeting of Excel Development to be convened to seek the approval of the Excel Shareholders in respect of, amongst other things, the Special Cash Dividend and the approval of the Excel Independent Shareholders in respect of the Sureguard Loan and the Share Charge
“Excel Director(s)”	director(s) of Excel Development from time to time
“Excel Engineering”	Excel Engineering Company Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is held by Great Jump as at the date of this joint announcement
“Excel Group”	Excel Development and its subsidiaries
“Excel Independent Board Committee”	the independent board committee of the Excel Board, comprising all independent non-executive Excel Directors, formed to advise the Excel Independent Shareholders in respect of the Sureguard Loan and the Share Charge, and the Offer Shareholders in respect of the Offer
“Excel Independent Shareholders”	Excel Shareholders except (i) the Offeror and its concert parties, (ii) the Vendor and its concert parties, and (iii) those who are involved in or interested in the Sureguard Loan and/or the Share Charge
“Excel Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of Excel Development
“Excel Shareholder(s)”	holder(s) of Excel Share(s)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Finance Document”	the Loan Agreement, any security document (including the Deed of Share Charge) and any other document designated as such by Best Trader and Sureguard
“Great Jump”	Great Jump Enterprises Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of Best Trader as at the date of this joint announcement
“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
“Independent Financial Adviser”	the independent financial adviser to the Excel Independent Board Committee and Excel Independent Shareholders on the terms of the Offer, the Sureguard Loan and the Share Charge

“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the financial adviser to the Offeror in respect of the Offer
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO who shall make the Offer on behalf of the Offeror
“Last Trading Day”	4 June 2015, being the last full trading day immediately prior to suspension of trading in the Excel Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 5 June 2015 entered into between Best Trader as borrower and Sureguard as lender in respect of the Sureguard Loan
“MOU”	the non-legally binding memorandum of understanding in relation to the sale and purchase of the Sale Shares entered into between the Vendor and the Offeror on 13 May 2015
“Offer”	the mandatory unconditional cash offer to be made by Kingston on behalf of the Offeror, to acquire all the issued Excel Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) on the terms to be set out in the Composite Document
“Offer Price”	the price at which the Offer will be made, being HK\$3.2334 per Excel Share
“Offer Share(s)”	all Excel Shares (other than those already owned by or agreed to be acquired by the Offeror or parties acting in concert with it) that are subject to the Offer, being 50,000,000 Excel Shares as at the date of this joint announcement and “Offer Share” means any of them
“Offer Shareholders”	the registered holders of the Offer Shares
“Offeror” or “Youth Force”	Youth Force Asia Ltd., a company incorporated in BVI with limited liability
“Overseas Offer Shareholder(s)”	Offer Shareholder(s) whose addresses, as shown on the register of members of Excel Development, are outside Hong Kong
“Preliminary Joint Announcement”	the joint announcement issued by Excel Development and Vantage dated 20 April 2015, in relation to, among other things, the possible disposal of interests in Excel Development by Vantage
“Record Date”	the record date to determine entitlements of the Excel Shareholders to the Special Cash Dividend, which will be determined and announced by Excel Development

“Sale and Purchase Agreement”	the sale and purchase agreement dated 5 June 2015 entered into among the Offeror, the Vendor and Vantage pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase 150,000,000 Excel Shares, representing 75.00% of the issued share capital of Excel Development as at the date of the Sale and Purchase Agreement at the Consideration
“Sale Share(s)”	150,000,000 Excel Shares to be acquired by the Offeror from the Vendor pursuant to the Sale and Purchase Agreement, which represents 75.00% of the entire issued share capital of Excel Development as at the date of the Sale and Purchase Agreement, and “Sale Share” means any of them
“Share Charge”	the share charge created by Best Trader in favour of Sureguard over the entire issued share capital of Great Jump pursuant to the Deed of Share Charge
“Share Premium Account”	the share premium account of Excel Development
“Share Sale”	acquisition of the Sale Shares by the Offeror from the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Special Cash Dividend”	a special cash dividend of HK\$50,000,000, being HK\$0.25 per Excel Share, proposed by the Excel Board pursuant to a resolution passed on 5 June 2015
“Special Cash Dividend Announcement”	the announcement of Excel Development dated 5 June 2015 in relation to the recommendation of the Excel Board to declare and pay the Special Cash Dividend
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules
“Sureguard”	Sureguard Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Vantage as at the date of this joint announcement
“Sureguard Loan”	the interest-free loan facility in an aggregate amount of HK\$50,000,000 made available to Best Trader by Sureguard pursuant to the Loan Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Vantage”	Vantage International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 15)
“Vantage Board”	the board of Vantage Directors
“Vantage Director(s)”	director(s) of Vantage from time to time
“Vantage Group”	Vantage and its subsidiaries
“Vantage Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of Vantage
“Vantage Shareholder(s)”	holder(s) of Vantage Share(s)
“Vendor” or “Profit Chain”	Profit Chain Investments Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of Vantage as at the date of this joint announcement

By Order of the Board  
Youth Force Asia Ltd.

**JIANG Jianhui**  
*Sole Director*

By Order of the Board  
Vantage International  
(Holdings) Limited  
NGAI Chun Hung  
*Chairman*

By Order of the Board  
Excel Development (Holdings)  
Limited  
LI Chi Pong  
*Executive Director and Chief  
Executive Officer*

Hong Kong, 16 June 2015

As at the date of this joint announcement, the sole director of the Offeror is Mr. JIANG Jianhui.

As at the date of this joint announcement, the board composition of each of Vantage and Excel Development is as follows:

**Vantage**

*Executive Directors:*

Mr. NGAI Chun Hung  
Mr. YAU Kwok Fai

*Independent Non-executive Directors:*

Professor KO Jan Ming  
The Hon. IP Kwok Him, *GBS, J.P.*  
Mr. FUNG Pui Cheung, Eugene

**Excel Development**

*Executive Directors:*

Mr. LI Chi Pong  
Mr. POON Yan Min

*Non-executive Director:*

Mr. YAU Kwok Fai

*Independent Non-executive Directors:*

Dr. LAW Kwok Sang  
Professor Patrick WONG Lung Tak *B.B.S., J.P.*  
Ms. MAK Suk Hing



*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to Vantage Group and Excel Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by Vantage Group and Excel Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*The directors of Vantage jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to Excel Group and the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Excel Group and the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*The directors of Excel Development jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to Vantage Group and the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by Vantage and the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*In the event of inconsistency, the English text of this joint announcement shall prevail over the Chinese text thereof.*