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EXCEL DEVELOPMENT (HOLDINGS) LIMITED

怡益控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1372)

(I) SUPPLEMENTAL AGREEMENT TO THE MAJOR TRANSACTION; AND (II) DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement (the “**Announcement**”) of Excel Development (Holdings) Limited (the “**Company**”) dated 12 October 2015 in relation to, among other things, the proposed acquisition of the entire equity interest in Well Surplus Enterprises Limited. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

(I) SUPPLEMENTAL AGREEMENT TO THE SALE AND PURCHASE AGREEMENT

On 20 November 2015 (after trading hours), the Purchaser, the Guarantor and the Vendor (the “**Parties**”) entered into a supplemental agreement (the “**Supplemental SP Agreement**”) to make certain amendments to the Sale and Purchase Agreement.

The material amendments are as follows:

- (a) condition (iv) of the conditions precedent as set out under the paragraph headed “Conditions precedent” on page 6 of the Announcement be removed and replaced by “the Shareholders having passed the resolution(s) at an extraordinary general meeting of the Company to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the issue of the Promissory Notes and the Convertible Bonds and the allotment and issue of the Conversion Shares).”
- (b) the formulae of the Compensation and the maximum amounts of the Compensation as set out under the paragraph headed “Adjustment to Consideration” on page 4 of the Announcement be removed and replaced by the following:

“Revised Compensation Formulae

Compensation for the 1st Profit Guarantee Period = (1st Guaranteed Profit – 1st Period Actual Profit) x 3

Compensation for the 2nd Profit Guarantee Period = (2nd Guaranteed Profit – 2nd Period Actual Profit) x 3

Pursuant to the Revised Compensation Formulae, any shortfall for each of the 1st Profit Guarantee Period and/or 2nd Profit Guarantee Period will be compensated to the Purchaser by 3 times.

The maximum amounts of the Compensation for the 1st Profit Guarantee Period and the Compensation for the 2nd Profit Guarantee Period will not be limited to HK\$340,000,000 and HK\$460,000,000 respectively and the maximum aggregate amount of Compensation for the Relevant Periods will be capped at HK\$800,000,000 as a whole.”

Save as disclosed above, all material terms and conditions of the Sale and Purchase Agreement remain unchanged.

For the avoidance of doubt, the Sale and Purchase Agreement and the transactions contemplated thereunder will be approved by seeking the Shareholders’ approval at an extraordinary general meeting (“**EGM**”) to be convened instead of by way of written shareholder’s approval. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, no Shareholder has a material interest in the Sale and Purchase Agreement and the Supplemental SP Agreement and the transactions contemplated thereunder and no Shareholder will be required to abstain from voting on the relevant resolution(s) to approve the Acquisition at the EGM.

The Circular, which will now contain a notice of EGM, will be despatched to the Shareholders accordingly.

(II) DELAY IN DESPATCH OF CIRCULAR

As disclosed in the Announcement, the Circular was expected to be despatched to the Shareholders on or before 3 November 2015.

Since (i) the Parties have entered into the Supplemental SP Agreement; and (ii) additional time is required for the Company to prepare the audited financial information of the Target Group, the pro-forma financial information of the enlarged Group upon Completion, the Valuation Report and to obtain (1) a report from a financial adviser confirming that they are satisfied that the forecast has been made by the Directors after due and careful enquiry; and (2) a letter from the issuer’s auditors or reporting accountants confirming that they have reviewed the arithmetical accuracy of the calculations of the forecast, the despatch date of the Circular containing, among other things, further details of the Acquisition and the transactions contemplated thereunder, a notice of EGM and other information required under the Listing Rules, is expected to be delayed to a date falling on or before 31 December 2015.

By Order of the Board
Excel Development (Holdings) Limited
Wong Hin Shek
Chairman

Hong Kong, 20 November 2015

As at the date of this announcement, the executive Directors are Mr. Wong Hin Shek and Mr. Xing Bin; and the independent non-executive Directors are Ms. Chu Yin Yin, Georgiana, Mr. Yip Tai Him and Mr. Chan Kai Wing.