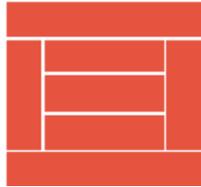


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



EXCEL DEVELOPMENT (HOLDINGS) LIMITED

怡益控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1372)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

Financial adviser to the Company

VEDA | CAPITAL
智 略 資 本

THE ACQUISITION

The Board announces that on 24 May 2016 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Share and the Sale Loan for the Consideration of HK\$390,000,000. The Consideration of HK\$390,000,000 shall be satisfied by the Purchaser by way of issue of the Convertible Bonds at the Conversion Price (being HK\$2.0 per Conversion Share) to the Vendor upon Completion. Details of the payment terms are set out in the paragraph headed “Consideration” under the section headed “THE ACQUISITION” below.

As at the date of this announcement, the Vendor owns the entire equity interest of the Target Company, a company incorporated in BVI with limited liability, with its principal activities being investment holding. The Target Company owns the entire equity interest in the HK Company, a company incorporated in Hong Kong with limited liability. The HK Company owns the entire equity interest in the WFOE Company, a wholly foreign-owned enterprise established in the PRC with limited liability and the WFOE Company owns the entire equity interest in the PRC Company, a company established in the PRC with limited liability. The PRC Company is principally engaged in the assembly of automobile wheels and tyres and supply of assembled wheels and tyres to automobile manufacturers.

Upon Completion, the Target Group will become subsidiaries of the Company and their results, assets and liabilities will be consolidated into the consolidated financial statements of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios of the Acquisition exceed 25% but are lower than 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. Therefore, the Acquisition will be subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Circular containing, among other things, further details of the Acquisition, is expected to be despatched to Shareholders on or before 15 June 2016.

Shareholders and potential investors should note that Completion is subject to various conditions as stated in the section headed "Conditions precedent" in this announcement. Shareholders and potential investors are therefore urged to exercise caution when dealing in the Shares.

The Board announces that on 24 May 2016 (after trading hours), the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share and the Sale Loan for the Consideration of HK\$390,000,000 which will be satisfied by the issue of the Convertible Bonds by the Company to the Vendor.

THE ACQUISITION

The Sale and Purchase Agreement

Date : 24 May 2016 (after trading hours)

Parties : (1) Global Harvest Inc., a wholly-owned subsidiary of the Company, as the Purchaser; and
(2) Mr. Zhang Yong, as the Vendor.

As at the date of this announcement, the Vendor owns the entire equity interest of the Target Company, a company incorporated in BVI with limited liability, with its principal activities being investment holding. The Target Company owns the entire equity interest in the HK Company, a company incorporated in Hong Kong with limited liability. The HK Company owns the entire equity interest in the WFOE Company, a wholly foreign-owned enterprise established in the PRC with limited liability and the WFOE Company owns the entire equity interest in the PRC Company, a company established in the PRC with limited liability.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Share and the Sale Loan. The Sale Share, representing the entire issued share capital of the Target Company, will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid after the date of the Sale and Purchase Agreement. The Sale Loan, representing the loan owing by the Target Group to the Vendor at Completion, will be sold free from all encumbrances together with all rights attaching thereto as at the Completion Date.

The Purchaser shall not be obliged to purchase any of the Sale Share and the Sale Loan unless the sale and purchase of the Sale Share and the Sale Loan are completed simultaneously.

As at 23 May 2016, the Sale Loan amounted to approximately HK\$885,880.

Consideration

The Consideration of HK\$390,000,000 is to be satisfied by way of issue of the Convertible Bonds at the Conversion Price (being HK\$2.0 per Conversion Share) to the Vendor (or his nominee(s)) upon Completion.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account (i) the Profit Guarantee provided by the Vendor; and (ii) the future prospects of the Target Company.

The Valuation Report will adopt the discounted cash flow method under the income approach. Under Rule 14.61 of the Listing Rules, any valuation based on discounted cash flows will be regarded as a profit forecast. The Company will comply with the requirements of Rule 14.62 of the Listing Rules in the Circular.

Adjustment to Consideration

Profit Guarantee

Pursuant to the Sale and Purchase Agreement, the Vendor has warranted and guaranteed to the Purchaser that the audited consolidated profit after tax (the "**Audited CPAT**") of the Target Group as shown in the audited consolidated accounts of the Group for the twelve (12) full calendar months period commencing from the 1st calendar day of the month following Completion (the "**Profit Guarantee Period**") shall not be less than HK\$35,500,000 (the "**Guaranteed Profit**").

Immediately upon the issue of the Convertible Bonds, the Convertible Bonds shall be deposited with the Escrow Agent until the Payment Date as security for the Guaranteed Profit.

In the event that the actual Audited CPAT of the Target Group for the Profit Guarantee Period ("**Actual Profit**") as shown in the Auditors' Certificate (as defined below) is less than the Guaranteed Profit, the Vendor shall compensate (the "**Compensation**") the Purchaser by 11 times of the aggregate amount of shortfall in the Profit Guarantee Period, as calculated according to the following formulae:

$$\text{Compensation for the Profit Guarantee Period} = (\text{Guaranteed Profit} - \text{Actual Profit}) \times 11$$

The maximum amount of the Compensation for the Profit Guarantee Period is limited to HK\$390,000,000.

The multiple of 11 was arrived at after arm's length negotiations between the Purchaser and the Vendor.

In the event that payment of the Compensation be required, the Vendor shall be obliged to compensate the Purchaser upon the receipt of the auditors' certificate for the Audited CPAT of the Target Group (the "**Auditors' Certificate**") for the Profit Guarantee Period an amount equivalent to the Compensation for the Profit Guarantee Period by cancelling the corresponding outstanding principal amount of the Convertible Bonds.

If the Actual Profit is equal to or more than the Guaranteed Profit, the Vendor and the Purchaser shall procure the Escrow Agent to release to the Vendor the Convertible Bonds in the principal amount of HK\$390,000,000 within 10 Business Days after the issue of the Auditors' Certificate (or such other day as the Vendor and the Purchaser may agree).

The Vendor and the Purchaser shall procure that the audited consolidated financial statement of the Target Group (the "**Consolidated AFS**") for the Profit Guarantee Period be prepared, issued and reported on by the Auditors in accordance with Hong Kong Financial Reporting Standards before the date falling three (3) months after the expiry of the Profit Guarantee Period. The Auditors' Certificate for the Profit Guarantee Period shall be delivered together with the Consolidated AFS.

For the avoidance of doubt, should the Target Group record a loss in its Consolidated AFS during the Profit Guarantee Period, the Actual Profit for the Profit Guarantee Period shall be deemed as zero.

Conditions precedent

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) the Purchaser being satisfied with the results of the due diligence review;
- (ii) all necessary consents and approvals in relation to the sale and purchase of the Sale Share and Sale Loan contemplated under the Sale and Purchase Agreement having been obtained by the Vendor;
- (iii) all necessary consents and approvals in relation to the sale and purchase of the Sale Share and Sale Loan contemplated under the Sale and Purchase Agreement having been obtained by the Purchaser;
- (iv) 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 Convertible Bonds and the allotment and issue of the Conversion Shares);
- (v) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares;

- (vi) all guarantees, representations and warranties given by the Vendor under the Sale and Purchase Agreement remaining valid, true and correct in all respects as at Completion;
- (vii) the obtaining of a PRC legal opinion (in the form and substance satisfactory to the Purchaser) issued by a PRC legal adviser appointed by the Purchaser on the Target Company and transactions contemplated under the Sale and Purchase Agreement; and
- (viii) the obtaining of a valuation report (in the form and substance satisfactory to the Purchaser) issued by the Independent Valuer appointed by the Purchaser showing that the valuation of the Target Group to be not less than HK\$390,000,000 as at the reference date to be agreed by the Vendor and the Purchaser based on the discounted cash flow model.

The Vendor shall use his best endeavours to procure the fulfilment of the conditions (i), (ii), (vi) to (viii) above. The Purchaser shall use its best endeavours to procure the fulfilment of the conditions (iii) to (v) above by the Long Stop Date (as defined below). Save for conditions set out in (i) and (vi) above which can be waived by the Purchaser by notice in writing, no other conditions precedent can be waived. If any of the conditions set out above shall not have been fulfilled (or waived, as the case may be) on or before 31 October 2016 or such other date as the Vendor and the Purchaser may agree in writing (the “**Long Stop Date**”), the Sale and Purchase Agreement shall cease and determine and no parties shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion shall take place on the Completion Date, being the third Business Day after the fulfilment (or waiver, as the case may be) of the conditions set out above, or such other date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Target Group will become subsidiaries of the Company and their results, assets and liabilities will be consolidated into the consolidated financial statements of the Company.

THE CONVERTIBLE BONDS

Pursuant to the terms of the Sale and Purchase Agreement, the Company will issue the Convertible Bonds in the principal amount of HK\$390,000,000 to the Vendor as the Consideration upon Completion.

For the fulfilment of the Vendor’s obligations under the Profit Guarantee, the Vendor and the Purchaser agree that the Convertible Bonds in the principal amount of HK\$390,000,000 shall be deposited with the Escrow Agent by the Vendor in favour of the Company after the Completion. For further details of the deposit, please refer to information as set out in the section headed “Adjustment to Consideration” above.

The terms of the Convertible Bonds have been negotiated on an arm's length basis, principal terms of which are summarised as follows:

- Issuer : the Company
- Maturity Date : the 2nd anniversary of the issue date of the Convertible Bonds
- Interest : the Convertible Bonds shall not bear any interest
- Conversion Period : the period commencing on the date of issue of the Convertible Bonds and ending on the Maturity Date
- Conversion Price : HK\$2.00 per Conversion Share (subject to adjustments)
- Aggregate principal amount : HK\$390,000,000
- Transferability : the Convertible Bonds cannot be transferred without the prior written consent of the Company, save where transfer is made to a wholly-owned subsidiary of the holder of the Convertible Bonds ("**Bondholder**"), or the holding company of such Bondholder owning the entire issued share capital of such Bondholder, provided that the Convertible Bonds will be re-transferred to such Bondholder immediately upon the transferee ceasing to be a wholly-owned subsidiary of such Bondholder or a holding company of the Bondholder who owns the entire issued share capital of such Bondholder, in which case no prior written consent from the Company shall be required.
- Conversion : holder of the Convertible Bonds shall have the right at any time from date of issue of the Convertible Bonds up to 4:00 p.m. on the Maturity Date to convert in whole or in part the outstanding principal amount of the Convertible Bonds in whole multiples of HK\$1,000,000 into Conversion Shares, save that if at any time the outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted, provided that any conversion of the Convertible Bonds (i) does not trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the conversion rights, representing more than 30% or more (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code; and (ii) does not result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares of the Company.

- Adjustments to Conversion Price : the Conversion Price is subject to adjustments upon the occurrence of subdivision or consolidation of Shares, capitalisation issues, capital distribution, rights issues, issue of securities wholly for cash, alteration of conversion or exchange price of convertible or exchangeable securities, such adjustments shall be determined by approved merchant bank or the auditors of the Company in such manner as they consider appropriate in accordance with the terms and conditions of the Convertible Bonds.
- Early redemption : the Company may at any time before the Maturity Date by serving at least ten (10) days' prior written notice on the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Convertible Bonds (in whole or in part) at 100% of the principal amount of such Convertible Bonds.
- Voting rights : holder of the Convertible Bonds shall not be entitled to attend or vote at any general meeting of the Company.
- Listing : the Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

As at the date of this announcement, save for the outstanding convertible bonds with the principal amount of HK\$390,000,000 entitling the holder(s) thereof to convert into a maximum of 195,000,000 new Shares (the “**Outstanding Convertible Bonds**”), the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Assuming there will be no issue or repurchase of Shares, upon the exercise in full of the conversion rights attaching to the Convertible Bonds at the Conversion Price, the Company will allot and issue an aggregate of 195,000,000 Conversion Shares, representing (i) approximately 97.5% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 49.37% of the issued share capital of the Company as enlarged by allotment and issue of the Conversion Shares; and (iii) approximately 33.05% of the issued share capital of the Company as enlarged by allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds (assuming the conversion rights under the Outstanding Convertible Bonds have been exercised in full).

The Conversion Shares will be allotted and issued under the specific mandate. The Conversion Shares shall rank equally among themselves and pari passu in all respects with the Shares in issue on the date of allotment and issue of the Conversion Shares.

THE CONVERSION PRICE

The Conversion Price, being HK\$2.0 per Share, was determined after arm's length negotiations between the Company and the Vendor, which represents:

- (a) a discount of approximately 51.81% to the closing price of HK\$4.15 per Share as quoted on the Stock Exchange on 24 May 2016, being the Last Trading Day;

- (b) a discount of approximately 53.27% to the average closing price of approximately HK\$4.28 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including Last Trading Day;
- (c) a discount of approximately 54.02% to the average closing price of approximately HK\$4.35 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including Last Trading Day; and
- (d) a premium of approximately 129.89% over the unaudited consolidated net assets attributable to equity holders of the Company of approximately HK\$0.87 per Share as at 30 September 2015, based on the unaudited consolidated net assets according to the Company's interim report and the number of issued Shares as at the date of this announcement.

APPLICATION FOR LISTING

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the conversion rights attached to the Convertible Bonds.

EFFECT ON THE SHAREHOLDING STRUCTURE

For illustrative purposes only, the following chart depicts the effects of the issue of the Conversion Shares on the shareholding structure of the Company based on the issued share capital and shareholding structure of the Company (i) as at the date of this announcement; (ii) assuming Completion has taken place and the exercise in full of conversion rights attaching to the Convertible Bonds at the Conversion Price; and (iii) assuming completion has taken place and the exercise in full of the conversion rights attaching to the Convertible Bonds (assuming the conversion rights under the Outstanding Convertible Bonds have been exercised in full):

	(i) As at the date of this announcement		(ii) For illustrative purposes only, immediately after the allotment and issue of the Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bonds (Note 3)		(iii) For illustrative purposes only, immediately after the allotment and issue of the Conversion Shares upon the exercise in full of the conversion rights attaching to the Convertible Bonds (assuming the conversion rights under the Outstanding Convertible Bonds have been exercised in full) (Note 3 & 4)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Youth Force Asia Ltd. (Note 1)	150,000,000	75.00	150,000,000	37.97	150,000,000	25.42
Power Expert Global Limited (Note 2)	-	-	-	-	195,000,000	33.05
Vendor	-	-	195,000,000	49.37	195,000,000	33.05
Public Shareholders	50,000,000	25.00	50,000,000	12.66	50,000,000	8.48
Total	200,000,000	100.00	395,000,000	100.00	590,000,000	100.00

Notes:

1. As at the date of this announcement, Youth Force Asia Ltd. is wholly-owned by Mr. Jiang Jianhui.
2. As at the date of this announcement, Power Expert Global Limited is wholly-owned by Ms. Weng Guangmin.
3. For illustrative purpose only, the Vendor will be interested in a total of 195,000,000 Shares (representing (i) approximately 49.37% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares; and (ii) approximately 33.05% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the conversion Shares under the Outstanding Convertible Bonds) upon full conversion of the Convertible Bonds. Pursuant to the terms of the Convertible Bonds, any conversion of the Convertible Bonds shall not (i) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Bonds which exercised the conversion right and party(ies) acting in concert (as defined in the Takeovers Code) with it; and/or (ii) result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares of the Company.
4. For illustrative purpose only, Power Expert Global Limited will be interested in a total of 195,000,000 Shares (representing approximately 33.05% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the conversion Shares under the Outstanding Convertible Bonds) upon full conversion of the Outstanding Convertible Bonds. Pursuant to the terms of the Outstanding Convertible Bonds, any conversion of the Outstanding Convertible Bonds shall not (i) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Outstanding Convertible Bonds which exercised the conversion right and party(ies) acting in concert (as defined in the Takeovers Code) with it; and/or (ii) result in the public float of the Shares being less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares of the Company.

INFORMATION ON THE VENDOR AND THE TARGET COMPANY

The Vendor is an Independent Third Party and as at the date of this announcement, the Target Company is wholly-owned by the Vendor.

The Target Company, is a company incorporated in BVI on 10 April 2012 with limited liability, with its principal activities being investment holding. The Target Company owns the entire equity interest in the HK Company, a company incorporated in Hong Kong with limited liability. The HK Company owns the entire equity interest in the WFOE Company, a wholly foreign-owned enterprise established in the PRC with limited liability and the WFOE Company owns the entire equity interest in the PRC Company, a company established in the PRC on 29 March 2016 with limited liability.

The PRC Company is principally engaged in the assembly of automobile wheels and tyres and supply of assembled wheels and tyres to automobile manufacturers.

As at the date of this announcement, the PRC Company has entered into sales framework agreements with (北汽銀翔汽車有限公司) (BAIC Yinxiang Automobile Co., Limited[#]) (“**BAIC Yinxiang**”) (“**First Sales Agreement**”) and (重慶比速汽車有限公司) (ChongQing North Automobile Company Limited[#]) (“**Chong Qing North Automobile**”) (“**Second Sales Agreement**”), respectively.

Pursuant to the First Sales Agreement, the PRC Company will supply and BAIC Yinxiang will purchase, of an aggregate amount of not less than 1,520,000 sets of assembled automobile wheels and tyres from the date of entering into the First Sales Agreement to 31 December 2020.

Pursuant to the Second Sales Agreement, the PRC Company will supply and Chong Qing North Automobile will purchase, of an aggregate amount of not less than 555,000 sets of assembled automobile wheels and tyres from the date of entering into the Second Sales Agreement to 31 December 2020.

The order quantities of the First Sales Agreement and Second Sales Agreement (collectively the “**Sales Agreements**”) are legally binding to the extent that if any of the parties breached the terms and conditions under the Sales Agreements, the relevant party(ies) under the Sales Agreements or the PRC Company has the right to claim against for all the losses in accordance with the PRC Contract Law and other relevant laws and regulations.

Financial information of the Target Group

Set out below is the summary of the key financial information extracted from the unaudited consolidated financial statements of the Target Company for the year ended 31 March 2016 and 31 March 2015 respectively:

	For the year ended 31 March 2016 HK\$	For the year ended 31 March 2015 HK\$
Turnover	–	–
Loss before and after taxation	36,542	44,190

The unaudited consolidated total asset value and unaudited consolidated net liabilities value of the Target Company as at 31 March 2016 were HK\$6,823,847 and HK\$165,141 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company, 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. The Group is principally engaged in civil engineering works as well as building construction and maintenance in Hong Kong and the development, production and sales of automotive engines.

On 4 February 2016, the Group has completed an acquisition of an engine production line for low emission multipurpose vehicles and sport utility vehicles (“**Engine Production Line Acquisition**”). As disclosed in the announcement and circular of the Company dated 12 October 2015 and 19 January 2016, the Group believes that the Engine Production Line Acquisition provides an excellent opportunity for the Group to expand its business portfolio into the automobile sector.

According to the research report “Automobile Manufacturing in China” published by IBISWorld in 2015, China’s automobile manufacturing industry has seen significant growth in recent years, with total revenues expected to reach \$603.7 billion in 2015, up 5.9% from 2014. It has been growing at an annualised rate of 10.0% during the past five years, driven by rising domestic demand across urban and rural areas and increasing exports. With strong support from the Chinese government,

this industry is expected to experience steady and substantial growth over the next five years. It is predicted that the industry revenue will continue to grow and the key drivers for future growth include China's substantial domestic demand, particularly in rural regions, government support, and the development of more foreign markets.

In addition, the drop in the international oil price since 2014 has caused a sharp decrease in petrol oil price and is expected to remain at a relatively low level in the near future. The Board believes that under a low oil price environment, the cost of driving would be substantially reduced and the Board believes that it would strongly encourage the PRC residents, in particular the citizens in rural area, to purchase their own vehicles for daily transportation purpose.

Given the abovementioned prospects of the PRC automobile industry, the Board considers that the Acquisition provides an opportunity for the Group to expand its business footprint within the PRC automobile industry, which is favorable to the Company's long term business perspective. In addition, in consideration of the valuation of the Target Group, the future prospects of the Target Group and the Profit Guarantee, the Board considers that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios of the Acquisition exceed 25% but are lower than 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. Therefore, the Acquisition will be subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Circular containing, among other things, further details of the Acquisition, is expected to be despatched to Shareholders on or before 15 June 2016.

WARNING

Shareholders and potential investors should note that Completion is subject to various conditions as stated in the section headed "Conditions precedent" in this announcement. Shareholders and potential investors are therefore urged to exercise caution when dealing in the Shares.

DEFINITIONS

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

"Acquisition"	the proposed acquisition of the Sale Share and Sale Loan under the Sale and Purchase Agreement
"Board"	the board of Directors
"Business Days"	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
"BVI"	the British Virgin Islands

“Circular”	the circular to be issued by the Company to the Shareholders as required under the Listing Rules in respect of the Acquisition
“Company”	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)
“Completion”	completion of the sale and purchase of the Sale Share and Sale Loan pursuant to the Sale and Purchase Agreement
“Completion Date”	the date which is the third (3rd) Business Day after the date on which the conditions precedent under the Sale and Purchase Agreement are satisfied or waived or such other date as the Purchaser and the Vendor may agree in writing
“connected person(s)”	as defined in the Listing Rules
“Consideration”	the aggregate consideration of HK\$390,000,000 payable in respect of the proposed Acquisition pursuant to the Sale and Purchase Agreement
“Conversion Price”	the initial conversion price of HK\$2.0 per Conversion Share upon the exercise of the conversion rights attaching to the Convertible Bonds
“Conversion Shares”	the new Shares to be allotted and issued to the holder of the Convertible Bonds by the Company upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the zero coupon convertible bonds to be issued by the Company upon Completion pursuant to the terms of the Sale and Purchase Agreement for the settlement of the Consideration, details of which are set out in the paragraph headed “THE CONVERTIBLE BONDS” above
“Directors”	directors of the Company
“Escrow Agent”	the escrow agent to be engaged by the Purchaser and the Vendor at Completion in respect of the escrow arrangement of the Convertible Bonds
“Group”	the Company and its subsidiaries
“HK Company”	Pine Fame Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) are third parties independent of the Group and its connected persons in accordance with the Listing Rules
“Independent Valuer”	an independent professional valuer to be appointed by the Purchaser conduct the business valuation on the Target Group

“Last Trading Day”	24 May 2016, being the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the second anniversary of the date of issue of the Convertible Bonds
“Outstanding Convertible Bonds”	has the meaning ascribed to it under the paragraph headed “THE CONVERTIBLE BONDS” above
“Payment Date”	the date on which the Convertible Bonds are released to the Vendor or his nominee(s) in accordance with the terms of the Sale and Purchase Agreement
“PRC”	the Peoples Republic of China, for the purposes of this announcement and for geographical reference only, excludes Taiwan, the Macao Special Administrative Region and Hong Kong
“PRC Company”	重慶精藝鑫汽車零部件有限公司 (Chongqing Jingyixin Automobile Parts Co., Ltd [#]), a domestic capital company established in the PRC on 29 March 2016 with limited liability and is wholly-owned by the WFOE Company
“Profit Guarantee”	the guarantee on the audited consolidated profit after tax of the Target Group given by the Vendor under the Sale and Purchase Agreement, details of which are set out in the paragraph headed “Adjustment to Consideration” above
“Purchaser”	Global Harvest Inc., a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the agreement dated 24 May 2016 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Share and Sale Loan
“Sale Loan”	the loan owing by the Target Group to the Vendor at Completion and all obligations, liabilities and debts owing or incurred by the Target Group to the Vendor on Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at 23 May 2016, the Sale Loan amounted to approximately HK\$885,880
“Sale Share”	one (1) share in the Target Company, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Keenmount Limited, a company incorporated in BVI with limited liability, which is wholly-owned by the Vendor
“Target Group”	Target Company and its subsidiaries
“Valuation Report”	the valuation report on the Target Group to be prepared by the Independent Valuer
“Vendor”	Mr. Zhang Yong
“WFOE Company”	連雲港栢譽信息諮詢服務有限公司 (Lianyungang Pine Fame Information Consulting Services Co., Ltd [#]), a wholly foreign-owned enterprise established in the PRC with limited liability and is wholly-owned by the HK Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

[#] *The Chinese names have been translated into English in this announcement for reference only*

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

Hong Kong, 24 May 2016

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.