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DRAGONITE INTERNATIONAL LIMITED

參龍國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 329)

DISCLOSEABLE TRANSACTION SHARES SWAP AGREEMENT

THE SHARES SWAP AGREEMENT

On 6 July 2015 (after trading hours), Colour State, a direct wholly-owned subsidiary of the Company, entered into the Shares Swap Agreement with Co-Lead and West West, pursuant to which Co-Lead will allot and issue new shares of Co-Lead in exchange of the FCL Shares held by Colour State and West West respectively. The Group will cease to hold direct interest in FCL and in turn will hold direct equity interest of approximately 11.1% in Co-Lead upon completion of the Shares Swap Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Shares Swap are more than 5% but less than 25%, the Shares Swap constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

Shareholders of the Company and potential investors should be aware that completion of the Shares Swap Agreement is subject to certain conditions, as set out in the subsection headed “Conditions Precedent” in this announcement, being satisfied, and consequently the Shares Swap Agreement may or may not proceed. Accordingly, shareholders of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

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THE SHARES SWAP AGREEMENT

Date: 6 July 2015
Purchaser: Co-Lead
Vendors: Colour State and West West

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Co-Lead and West West and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Pursuant to the Shares Swap Agreement, Colour State agreed to sell 55,000,000 FCL Shares (representing approximately 4.4% direct equity interest in FCL) to Co-Lead in exchange for 550 new shares of Co-Lead (representing approximately 11.1% interest in the enlarged issued share capital of Co-Lead immediately upon completion of the Shares Swap Agreement, which in turn representing approximately 4.4% underlying equity interest in FCL) to be allotted and issued by Co-Lead.

Conditions Precedent

Completion of the Shares Swap Agreement is conditional upon the following:

- (i) if required, the passing of the necessary resolution(s) by the shareholders of Willie in a general meeting to approve the entering into of the Shares Swap Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules; and
- (ii) if applicable, the obtaining of all consents from regulatory authorities or third parties which are necessary in connection with the execution and performance of the Shares Swap Agreement and any of the transaction contemplated thereunder.

Co-Lead shall use its best endeavours to procure the fulfilment of the conditions set out in the above condition. If the above conditions are not fulfilled on or before the Long Stop Date for whatever reason, the Shares Swap Agreement shall cease and determine and neither party shall have any obligations and liability towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Completion of the Shares Swap Agreement shall take place on the third Business Day following the satisfaction of the aforesaid conditions or such other date as Co-Lead, Color States and West West may agree.

Consideration

The consideration under the Shares Swap Agreement is based upon an exchange of FCL Shares for new shares of Co-Lead on the basis of no change in the beneficial interest in FCL Shares held by Colour State and West West respectively. Hence, the underlying beneficial interest held by the Group shall remain unchanged upon completion of the Shares Swap. The consideration under the Shares Swap Agreement was determined after arm's length negotiations among Co-Lead, Colour State and West West.

INFORMATION ON CO-LEAD

Co-Lead is a non wholly-owned subsidiary of Willie, a company listed on the main board of the Stock Exchange. Co-Lead is a special purpose vehicle incorporated in the British Virgin Islands in January 2014 with limited liability, engaged in holding 411,000,000 FCL Shares, representing approximately 32.7% equity interest in FCL as at the date of the Shares Swap Agreement. Immediately upon completion of the Shares Swap, Co-Lead will hold 496,344,827 FCL shares, representing an increase of approximately 6.8% direct equity interest in FCL to approximately 39.5%.

As permitted under the laws of the British Virgin Islands, no audited financial statements have been prepared by Co-Lead. Based on the latest unaudited financial statements of Co-Lead, the carrying value of unaudited net assets of Co-Lead as at

30 June 2015 was approximately HK\$1,330 million. Further financial information of Co-Lead's profitability since its incorporation in January 2014 is set out below:

	For the year ended 31 December 2014 <i>(HK\$'000)</i> <i>(unaudited)</i>
Profit before taxation	71,561
Profit after taxation	71,561

INFORMATION ON FCL

FCL is an indirect non-wholly owned subsidiary of Freeman, a company listed on the main board of the Stock Exchange. FCL is an investment holding company incorporated in the Cayman Islands with limited liability and its subsidiaries are principally engaged in the financial services sector, including provision of securities brokerage services, provision of insurance brokerage and financial planning services, provision of corporate finance advisory services, trading of securities, money lending and investment holding. Certain subsidiaries of FCL are licensed to carry out regulated activities in Hong Kong governed by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), including type 1 (dealing in securities), type 2 (dealing in future contracts) and type 6 (advising on corporate finance).

The following is the financial information of the FCL Group for the accounting period ended 31 March 2014 and 31 March 2015 respectively, which was prepared in accordance with the Hong Kong Financial Reporting Standards:-

	For the year ended 31 March	
	2015 <i>(HK\$'000)</i> <i>(unaudited)</i>	2014 <i>(HK\$'000)</i> <i>(audited)</i>
Net profit before tax	472,211	585,920
Net profit after tax	429,396	583,174
Net assets	4,069,275	2,203,284

The carrying value of the Group's investments in FCL was approximately HK\$156.75 million as at 31 December 2014.

“Business Day”	means any day on which licensed banks in Hong Kong generally are open for business, except a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Co-Lead”	Co-Lead Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is a non wholly-owned subsidiary of Willie as at the date of this announcement
“Colour State”	Colour State Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
”Company”	Dragonite International Limited (叁龍國際有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 329)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“FCL”	Freeman Corporation Limited, a company incorporated in the Cayman Islands with limited liability and an indirect non wholly-owned subsidiary of Freeman as at the date of this announcement
“FCL Group”	FCL and its subsidiaries
“FCL Share(s)”	ordinary share(s) with par value of US\$0.00000005 each in the share capital of FCL
“Freeman”	Freeman Financial Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 279)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the last day of one calendar month from the date of the Shares Swap Agreement or such other later date as shall be agreed by the parties in writing
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shares Swap”	Colour State has conditionally agreed to swap 55,000,000 FCL Shares to Co-Lead in exchange for 550 new shares of Co-Lead pursuant to the Shares Swap Agreement
“Shares Swap Agreement”	the shares swap agreement dated 6 July 2015 entered into between Colour State, Co-Lead and West West in relation to the issue of new share of Co-Lead in exchange of FCL Shares held by Color State and West West
“West West”	West West Limited, a company incorporated in the British Virgin Islands with limited liability and is a party to the Shares Swap Agreement
“Willie”	Willie International Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 273)
“%”	per cent.

By Order of the Board
Dragonite International Limited
Chan Mee Sze
Managing Director

Hong Kong, 6 July 2015

As at the date of this announcement, the Board comprises the following Directors:-

Executive Directors:

Lee Kien Leong (*Chairman*)
Chan Mee Sze (*Managing Director*)
Lam Suk Ping

Independent non-executive Directors:

Lam Man Sum, Albert
Chang Tat Joel
Wong Stacey Martin