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**CHINA ASSETS
(HOLDINGS) LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 170)

**NEW SYNERGIES
INVESTMENTS COMPANY
LIMITED**

(Incorporated in Hong Kong with limited liability)

POSSIBLE CHANGE OF CONTROL

AND

POSSIBLE CONDITIONAL CASH OFFERS BY

CHINA EVERBRIGHT SECURITIES (HK) LIMITED,

ON BEHALF OF THE PURCHASER TO ACQUIRE ALL THE

ISSUED SHARES IN THE CAPITAL OF

CHINA ASSETS (HOLDINGS) LIMITED

**(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY THE PURCHASER AND PARTIES ACTING IN CONCERT WITH IT)**

AND

RELATED OFFER FOR OPTIONS

Financial Adviser to the Purchaser



This announcement is made by the Company and the Purchaser pursuant to the Takeovers Code, and (in the case of the Company) further to its announcement of 29 January 2016 pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

SPA

As announced on 29 January 2016, on 22 January 2016, the Seller, the Purchaser and Mr. Lo entered into the SPA, which will on Completion lead to the Possible Change of Control. The Purchaser is owned as to 40% by Mr. Lo, a director of the Company, as to 30% by his brother Mr. Lao Kaisheng, and as to 30% by his sister Ms. Lao Jiangsheng.

POSSIBLE CONDITIONAL CASH OFFERS

Assuming the Possible Change of Control takes place the Purchaser will on Completion become obliged to, and China Everbright Securities will on behalf of the Purchaser, make a mandatory general offer for the Shares and a comparable offer for the Options.

The Offer Prices will be:

- for each Share HK\$4.086 in cash
- for each Option HK\$0.01 in cash

The Independent Board Committee, comprising all the independent non-executive Directors and the non-executive Directors save for Ms. Lao Yuan Yuan and Mr. Yeung Wai Kin, has been constituted to advise the Shareholders and the Option holders other than the Purchaser and parties acting in concert with it in respect of the Offers as to whether the terms of the Offers are fair and reasonable, and as to the acceptance of the Offers. An independent financial adviser to the Independent Board Committee will be appointed in due course.

DESPATCH OF COMPOSITE DOCUMENT

The Purchaser and the Company intend to combine the offer document and the offeree board circular into a composite document, if the Offers materialise. Pursuant to Rule 8.2 of the Takeovers Code, that document is required to be despatched within 21 days of the date of this announcement. However, as the Offers are subject to Completion and additional time is required to convene the meeting of the Seller to consider the SPA, the Purchaser will make an application to the Executive for consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to the Shareholders to a date within seven days of fulfilment of the pre-conditions to the Offer or such other date as the Executive may approve.

Completion is subject to the satisfaction (or waiver as applicable) of conditions precedent in the SPA. The Possible Change of Control and the Offers may or may not proceed. Shareholders and potential investors in the Company are advised to exercise extreme caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

This announcement is made by the Company and the Purchaser pursuant to the Takeovers Code, and (in the case of the Company) further to its announcement of 29 January 2016 pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

SPA

As announced on 29 January 2016, on 22 January 2016, the Seller, the Purchaser and Mr. Lo as guarantor, entered into the SPA relating to the sale and purchase of 25,522,866 Shares representing approximately 33.25 % of the existing issued Shares. Under the SPA, the Seller has irrevocably undertaken, subject to the satisfaction (or waiver as applicable) of conditions precedent in the SPA, to sell or procure the sale of, and the Purchaser has agreed to acquire, 25,522,866 Shares at the Offer Price per Share. If and when completed the Possible Change of Control will become effective and the Offers will be made. Completion will be announced if and when it occurs.

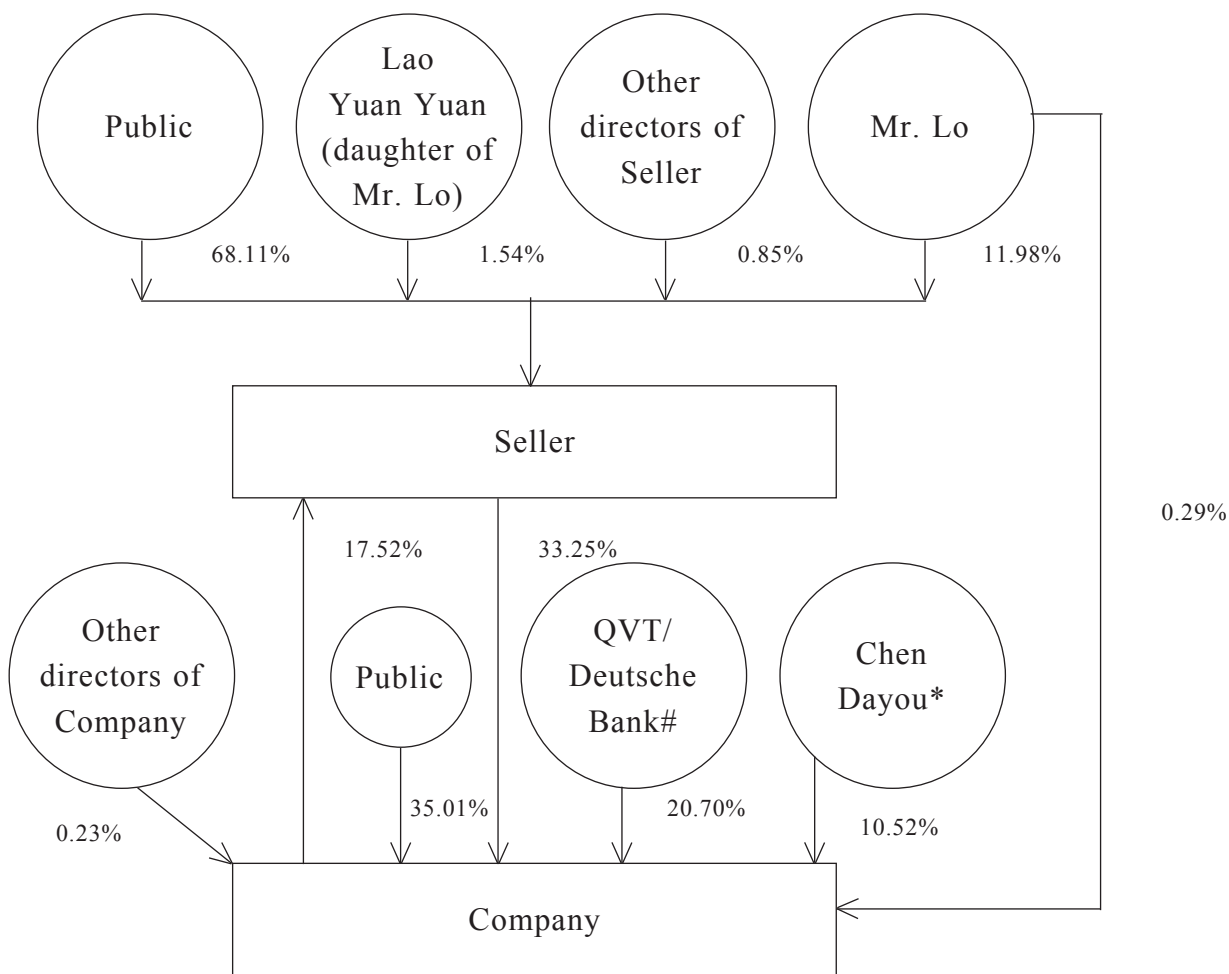
The Purchaser is a company incorporated in Hong Kong and owned as to 40% by Mr. Lo, a director of the Company, as to 30% by his brother Mr. Lao Kaisheng, and as to 30% by his sister Ms. Lao Jiangsheng.

Apart from entering into the SPA, the Purchaser has not engaged in any business since its incorporation and does not have any material assets or liabilities other than those under the SPA. It does not own Shares in the Company.

Chain Principle

The following charts show ownership of the Seller and the Company at the time of the SPA and immediately after Completion:—

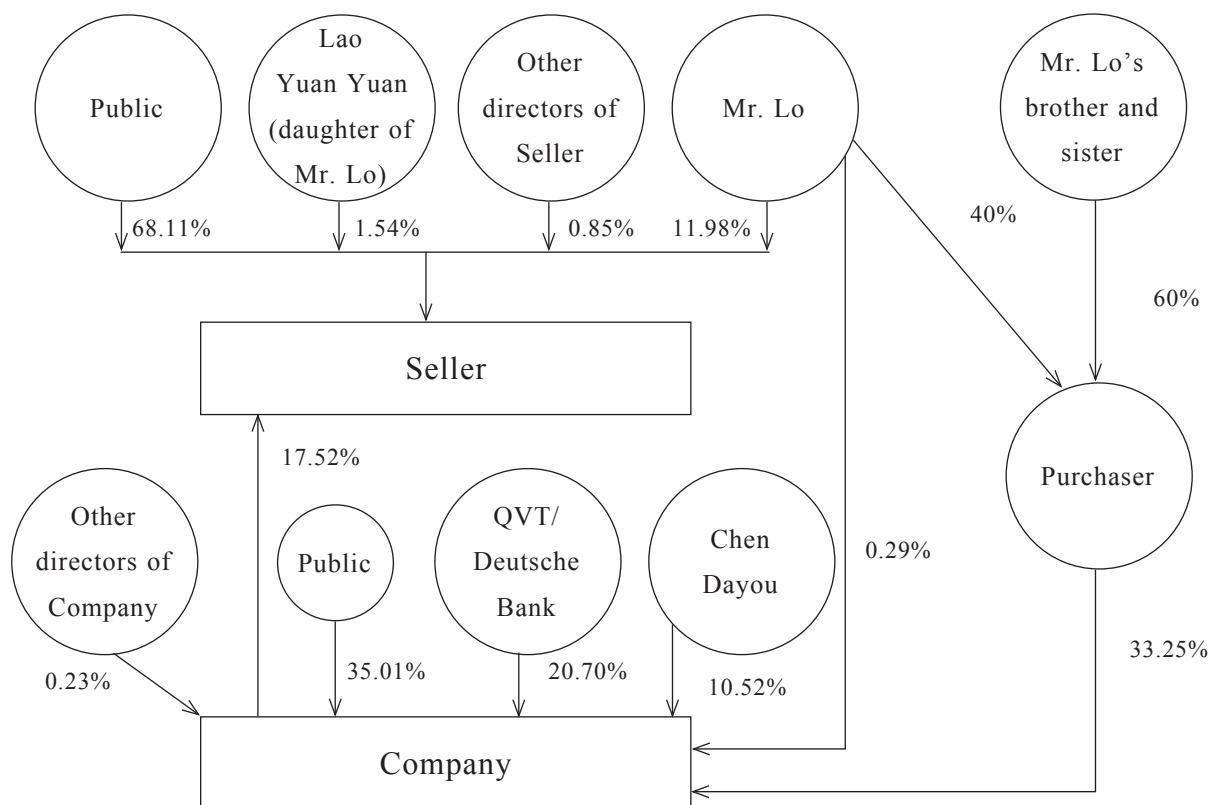
AT TIME OF SPA



refers to QVT Financial GP LLC, QVT Associates GP LLC and Deutsche Bank AG, all of which have filed notices under Part XV of the SFO of interests in what appears to be the same block of Shares. None of them are acting in concert with Mr. Lo or the Purchaser.

* refers to Chen Dayou who filed notice under Part XV of the SFO of an interest held through Team Assets Group Limited. Neither is acting in concert with Mr. Lo or the Purchaser.

IMMEDIATELY AFTER COMPLETION OF SPA



For the purposes of the Takeovers Code “control” means a holding, or aggregate holdings, of 30% or more of the voting rights of a company. The Company owns or controls 17.52% of the voting shares in the Seller. Mr. Lo and Ms. Lao Yuan Yuan (his daughter and a director of the Company) together own or control a further 13.52%. The Company, Mr. Lo, and Ms. Lao Yuan Yuan thus control in aggregate 31.04% of the Seller and have Takeovers Code control of the Seller. The Share Offer will be conditional only on the Purchaser and persons acting in concert with it holding more than 50% of the voting rights in the Company. If the Share Offer becomes unconditional the Purchaser and persons acting in concert with it will acquire statutory control of the Company (being the degree of control which a company has over a subsidiary).

By reason of Note 8 to Rule 26.1 of the Takeovers Code, inter alia, if the Purchaser and persons acting in concert with it acquire statutory control of the Company and thereby acquire or consolidate control, as defined in the Takeovers Code, the Executive will not normally require an offer to be made for the Seller unless the holding in the Seller is significant in relation to the Company or one of the main purposes of acquiring control of the Company was to secure control of the Seller.

A submission will be made to the Executive seeking its confirmation that if the Purchaser and persons acting in concert with it acquire statutory control of the Company as a result of the transactions contemplated by the SPA it will not be required to make an offer pursuant thereto for the Seller.

Completion of the sale and purchase under the SPA is conditional upon, inter alia, the satisfaction (or waiver) of a number of conditions precedent including the following:

- (i) the Purchaser having obtained a ruling or confirmation by the Executive that if the Purchaser and persons acting in concert with it for the purposes of the Takeovers Code acquire statutory control of the Company for the purposes of Note 8 to Rule 26.1 of the Takeovers Code as a result of the transactions contemplated by the SPA it will not be required to make an offer pursuant thereto for the Seller. This condition precedent can be waived by the Purchaser (but not by the Company); and
- (ii) those shareholders of the Seller who are permitted to vote having approved in a general meeting of the Seller, inter alia, the entering into of the SPA by the Seller and the transactions contemplated thereunder. This condition precedent cannot be waived.

In the event that any of the conditions precedent to the SPA is not fulfilled or, where permitted, waived by 30 April 2016 or such other date as may be agreed by the parties to it, the SPA will lapse.

POSSIBLE CONDITIONAL MANDATORY CASH OFFERS

At the date of this announcement, the Purchaser and parties acting in concert with it own, control or have direction over 225,000 Shares, and Options over 2,250,000 Shares. They do not own, control or have direction over any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, other than the interest in the Shares that are the subject of the SPA. Immediately after Completion, the Purchaser and parties acting in concert with it will be interested in a total of 25,747,866 Shares, representing approximately 33.54% of the total issued Shares at the date of this announcement.

Immediately following Completion, the Purchaser and parties acting in concert with it will be required under Rules 26.1 and 13.5 of the Takeovers Code to make conditional mandatory cash offers for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Purchaser and parties acting in concert with it) and for the cancellation of all outstanding Options (other than those Options already owned by the Purchaser and parties acting in concert with it). China Everbright Securities will make the Offers on behalf of the Purchaser.

If made, the Share Offer will be conditional only on valid acceptances being received in respect of such number of Shares, which together with Shares acquired or agreed to be acquired before or during the Share Offer, will result in the Purchaser and persons acting in concert with it holding more than 50% of the voting rights in the Company. If made, the Option Offer will be conditional only on the Share Offer becoming unconditional. At the date of this announcement, there are 76,758,160 Shares in issue and Options outstanding which entitle the holders thereof to subscribe for up to 3,975,000 Shares all of which are exercisable at the exercise price of HK\$ 5.74 per Share from 25 April 2007 to 24 April 2017. Save for the Options, the Company has no outstanding securities,

options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) at the date of this announcement.

Subject to Completion, China Everbright Securities will make the Offers on behalf of the Purchaser, in compliance with the Takeovers Code, on the terms to be set out in the offer document, on the following bases:

— **for each Share HK\$4.086 in cash**

— **for each Option HK\$0.01 in cash**

Assuming that there is no change in the number of issued Shares before the close of the Share Offer a total of 51,010,294 Shares will be subject to the Share Offer. Assuming no Options lapse or are exercised before the close of the Option Offer, Options to subscribe up to 1,725,000 Shares will be subject to the Option Offer.

The Offer Price of HK\$4.086 per Share under the Share Offer is the same as the purchase price per Share payable by the Purchaser under the SPA. The Shares to be acquired under the Share Offer shall be fully paid and free from all encumbrances and together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made.

COMPARISONS OF VALUE

The Offer Price of HK\$4.086 per Share represents:

- (a) a premium of approximately 9.54% to the closing price of HK\$3.73 per Share quoted on the Stock Exchange on 22 January 2016, being the Last Trading Day;
- (b) a premium of approximately 10.73% to the average closing price of approximately HK\$3.69 per Share quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 9.75% to the average closing price of approximately HK\$3.723 per Share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 3.47% to the average closing price of approximately HK\$3.949 per Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and

- (e) a discount of approximately 79.55% over the audited consolidated net asset value attributable to Shareholders of approximately HK\$19.98 (or US\$2.5617) per Share as at 31 December 2014, the date to which the latest audited consolidated financial results of the Company were made up.

HIGHEST AND LOWEST SHARE PRICES

During the six-month period preceding the date of this announcement and up to and including the Last Trading Day:

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$4.53 per Share on 23 July 2015; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$3.57 per Share on 18 January 2016.

VALUE OF THE OFFERS

At the date of this announcement, there are 76,758,160 Shares in issue. On the basis of the Offer Price of HK\$4.086 per Share, the entire issued share capital of the Company is valued at HK\$313,633,842. Immediately after Completion and on the basis that there are 51,010,294 Shares subject to the Share Offer and assuming that there is no change in the issued Shares, the value of the Share Offer is HK\$208,428,061.

The value of the Option Offer is HK\$17,250.

FINANCIAL RESOURCES AVAILABLE TO THE PURCHASER

The Purchaser will satisfy the consideration payable under the SPA and the consideration payable under the Offers from a banking facility of the Purchaser for the purpose of financing the Purchaser's obligation under the Offers. The maximum aggregate amount payable by the Purchaser upon full acceptance of the Share Offer and of the Options Offer is HK\$208,445,311.

Gram Capital is satisfied that sufficient financial resources are available to the Purchaser to satisfy full acceptance of the Offers.

EFFECT OF ACCEPTING THE SHARE OFFER AND OPTION OFFER

By accepting the Share Offer, accepting Shareholders will sell their Shares to the Purchaser free from all encumbrances and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made, or paid on or after the date on which the Share Offer is made.

By accepting the Option Offer, accepting Option holders will agree to cancellation of their Options. No transfer or sale of the Options will occur as part of the Option Offer.

HONG KONG STAMP DUTY

Sellers' Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Shares subject to such acceptance, will be deducted from the amounts payable to Shareholders who accept the Share Offer. The Purchaser will arrange for payment of sellers' ad valorem stamp duty on behalf of Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

TAXATION ADVICE

Shareholders and Option holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Purchaser, parties acting in concert with it, the Company, and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

PAYMENT

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the later of the date on which the Offers become unconditional and the date on which the duly completed acceptances of the Offers and the relevant documents of title in respect of such acceptances are received by the Purchaser (or its agent) to render each such acceptance complete and valid. If the Offers do not become unconditional the relevant documents of title will be returned as soon as practicable after the latest date on which they could have become unconditional.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

Save for (i) the Shares that are the subject of the SPA and (ii) the sale on 3 December 2015 of 10,000 Shares by a Director, Mr. Cheng Sai Wai, none of the Directors, the Purchaser, its ultimate beneficial owner, or parties acting in concert with them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this announcement.

Mr. Cheng Sai Wai is not acting in concert with the Purchaser, or a shareholder or director of the Purchaser.

OVERSEAS HOLDERS

The availability of the Offer to any Overseas Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Holders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Holders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (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 by such Overseas Holders in respect of such jurisdictions).

OTHER ARRANGEMENTS

The Purchaser confirms that, at the date of this announcement:

- (i) the Purchaser, its ultimate beneficial owners, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offers;
- (ii) save for Options held by Mr. Lo, Ms. Lao Yuan Yuan and her husband to subscribe for an aggregate of 2,250,000 Shares, there is no outstanding derivative in respect of securities in the Company which has been entered into by the Purchaser, its ultimate beneficial owners 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 Purchaser or the Company and which may be material to the Offers (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for 225,000 Shares owned by Mr. Lo, and Options held by Mr. Lo, Ms. Lao Yuan Yuan and her husband to subscribe for an aggregate of 2,250,000 Shares and save for the Shares that are the subject of the SPA, none of the Purchaser, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) there is no agreement or arrangement to which the Purchaser, 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 Offers; and
- (vi) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Purchaser, its ultimate beneficial owners, and/or any person acting in concert with any of them has borrowed or lent.

INFORMATION ON THE GROUP

The Company is incorporated in Hong Kong with limited liability and the Shares are listed on the Stock Exchange. The Company is an investment company listed under Chapter 21 of the Listing Rules and its subsidiaries are principally engaged in investment activities.

Set out below is a summary of certain audited financial information of the continuing operations of the Group for the financial years ended 31 December 2013 and 31 December 2014 extracted from the Company's annual reports:

	Year ended 31 December 2013 US\$	Year ended 31 December 2014 US\$
Income	747,698	862,415
Operating profit	2,562,480	8,748,738
Profit before taxation	1,810,087	10,650,869
Profit for the year	3,268,686	9,725,717
Consolidated net asset value	158,307,237	196,627,558

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) at the date of this announcement; (ii) immediately after Completion and before the Offers (assuming no Options are exercised) and (iii) immediately after Completion and before the Offers (assuming all Options are exercised):

	(i) At the date of this announcement		(ii) Immediately after Completion and before the Offers (assuming no Options are exercised)		(iii) Immediately after Completion and before the Offers (assuming all Options are exercised)	
	<i>Number of Shares</i>	<i>Approx %</i>	<i>Number of Shares</i>	<i>Approx %</i>	<i>Number of Shares</i>	<i>Approx %</i>
Seller	25,522,866	33.25	Nil	Nil	Nil	Nil
Purchaser and parties acting in concert with it	225,000	0.29	25,747,866	33.54	27,997,866	34.68
Connected persons of Company not acting in concert with Purchaser	24,138,198	31.45	24,138,198	31.45	25,713,918	31.85
Public	26,871,376	35.01	26,871,376	35.01	27,021,376	33.47
Total	<u>76,758,160</u>	<u>100</u>	<u>76,758,160</u>	<u>100</u>	<u>80,733,160</u>	<u>100</u>

PUBLIC FLOAT AND LISTING STATUS OF THE COMPANY

The Purchaser intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.

If the public float of the Company falls below 25% following the close of the Offers, the Directors will undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists for the Shares following the close of the Offers.

The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the 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 Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

INTENTIONS OF THE PURCHASER

The Purchaser intends that the Shares will remain listed on the Stock Exchange immediately after the completion of the Offers and that there will be no change in the management of the Group. The Purchaser intends that there will be no changes in the employees of the Company.

Completion is subject to the satisfaction (or waiver as applicable) of conditions precedent in the SPA. The Possible Change of Control and the Offers may or may not proceed. Shareholders and potential investors in the Company are advised to exercise extreme caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEALING DISCLOSURE

At the date of this announcement, the capital of the Company includes 76,758,160 Shares and there are Options outstanding with rights to subscribe for a total of 3,975,000 Shares. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). As required under Rule 3.8 of the Takeovers Code, associates (including a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Purchaser are reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“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 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. 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.”

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Zhao Yu Qiao, Mr. Fan Jia Yan, Mr. Wu Ming Yu and Dr. David William Maguire, who have no direct or indirect interest in the Offers save for his/her holdings of Shares and/or Options as set out below, has been constituted in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Shareholders and the Option holders other than the Purchaser and parties acting in concert with it in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

Set out below are the holdings of Shares and/or Options by the non-executive Directors and independent non-executive Directors who are Shareholders and/or Option holders:

Name of Director	Capacity	Number of Shares held	Number of underlying Shares under Options held
Mr. Yeung Wai Kin	Beneficial owner	100,000	750,000
Mr. Fan Jia Yan	Beneficial owner	75,000	—
Mr. Wu Ming Yu	Beneficial owner	—	75,000
Ms. Lao Yuan Yuan	Beneficial owner	—	750,000
Mr. Zhao Yu Qiao	Beneficial owner	—	750,000

The above Directors are not excluded from forming the IBC by virtue of their holdings in Shares and/or Options.

Since Ms. Lao Yuan Yuan is the daughter of Mr. Lo and Mr. Yeung Wai Kin is an executive director and shareholder of the Seller, Ms. Lao Yuan Yuan and Mr. Yeung Wai Kin are both considered to be interested in the Offers and have not been appointed member of the IBC in accordance with Rule 2.8 of the Takeovers Code.

An independent financial adviser to the Independent Board Committee will be appointed in due course. The appointment of the independent financial adviser is subject to the approval of the Independent Board Committee and will be announced when made.

DESPATCH OF COMPOSITE DOCUMENT

The Purchaser and the Company intend to combine the offer document and the offeree response document into a composite document, if the Offers have to be made. Pursuant to Rule 8.2 of the Takeovers Code, this document is required to be despatched within 21 days of the date of this announcement. However, as the making of the Offers is subject to Completion and additional time is required to convene the meeting of the Seller for its shareholders to consider the SPA, the Purchaser will make an application to the Executive for consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the document to a date within seven days of fulfilment of the pre-conditions to the Offers or such other date as the Executive may approve.

Further announcements will be made as and when appropriate.

DEFINITIONS

In this announcement (unless the context otherwise requires):

“acting in concert”	has the meaning ascribed to it in the Takeovers Code;
“associate”	has the meaning ascribed to it in the Takeovers Code;
“Board”	means the board of directors of the Company;
“China Everbright Securities”	means China Everbright Securities (HK) Limited, a corporation licensed to engage in type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO;
“Company”	means China Assets (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 170);
“Completion”	means completion of the sale and purchase of the Shares to be sold to the Purchaser under the SPA which is expected to occur in April 2016;
“connected person”	has the meaning ascribed thereto in the Listing Rules;

“Directors”	means directors of the Company;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Gram Capital”	means Gram Capital Limited, a corporation licensed to engage in Type 6 (advising on corporate finance) regulated activity under the SFO and the financial adviser of the Purchaser;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee” or “IBC”	means an independent committee of the Board comprising Mr. Zhao Yu Qiao, Mr. Fan Jia Yan, Mr. Wu Ming Yu and Dr. David William Maguire, who have no direct or indirect interest in the Offers save for his holdings of Shares and/or Options, established for the purpose of advising and giving a recommendation to the Shareholders and the Option holders other than the Purchaser and parties acting in concert with it in respect of the Offers and in particular as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers;
“Last Trading Day”	means 22nd January 2016, being the last trading day before trading in the Shares was suspended on 25 January 2016 and the announcement of the Company on 29 January 2016;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Lo”	means Mr. Lo Yuen Yat who at the date of this announcement is:— <ul style="list-style-type: none"> (i) the Chairman and a director of the Company and a Shareholder who, together with his family members, holds the entire capital of the Purchaser and is beneficially interested in an aggregate of 225,000 of the issued Shares, or approximately 0.29% of the total issued Shares in the Company; and (ii) the Chairman and a director of the Seller, and a substantial shareholder in the Seller, which holds approximately 33.25% of the total issued Shares in the Company all of which are subject to the SPA;

“Offer Price”	means the offer price of the Shares in the Share Offer, being HK\$4.086 per Share, and the offer price for cancellation of the Options, being HK\$0.01 for each Option, as the context requires;
“Offers”	means the Share Offer and the Option Offer;
“Option(s)”	means options granted by the Company pursuant to the share option scheme of the Company adopted on 19 May 2004, which entitle holder thereof to subscribe for Shares in accordance with the terms and conditions thereof;
“Option holders”	means holders of the Options;
“Option Offer”	means a conditional mandatory cash offer to be made subject to Completion on behalf of the Purchaser for the cancellation of all outstanding Options held by the Option holders, in accordance with the Takeovers Code;
“Overseas Holders”	means (as the context may require) Shareholders whose addresses, as shown on the register of members of the Company, are outside Hong Kong and/or Option holders whose addresses in the records of the Company are outside Hong Kong;
“Possible Change of Control”	the change, from the Seller to the Purchaser, of control of the Company for the purposes of the Takeovers Code that will occur if and when Completion takes place;
“Purchaser”	means New Synergies Investments Company Limited, a company incorporated in Hong Kong with limited liability and by Mr. Lo (as to 40%), his brother Mr. Lao Kaisheng (as to 30%) and his sister Ms. Lao Jiangsheng (as to 30%);
“Seller”	means First Shanghai Investments Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 227);
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“Share Offer”	means a conditional mandatory cash offer to be made subject to Completion on behalf of the Purchaser to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by the Purchaser and parties acting in concert with it), in accordance with the Takeovers Code;
“Shares”	means shares in the capital of the Company;
“Shareholders”	means holders of Shares;
“SPA”	means an agreement dated 22nd January 2016 between the Seller, the Purchaser and Mr. Lo (as guarantor) relating to the sale and purchase of 25,522,866 Shares representing approximately 33.25% of the existing issued Shares;
“Stock Exchange”	means the Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers.

**CHINA ASSETS
(HOLDINGS)LIMITED**

By Order of the Board
Cheng Sai Wai
Director

**NEW SYNERGIES INVESTMENTS
COMPANY LIMITED**

By Order of the board
Lo Yuen Yat
Director

Hong Kong, 3 February 2016

At the date of this announcement, the Board comprises Mr. Lo Yuen Yat and Mr. Cheng Sai Wai as executive directors, Mr. Yeung Wai Kin, Mr. Zhao Yu Qiao and Ms. Lao Yuan Yuan as non-executive directors, Mr. Fan Jia Yan, Mr. Wu Ming Yu and Dr. David William Maguire as independent non-executive directors

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

At the date of this announcement, the sole director of the Purchaser is Mr. Lo Yuen Yat.

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