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POKFULAM DEVELOPMENT COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 225)

THIRD SUPPLEMENTAL AGREEMENT IN RESPECT OF DISCLOSEABLE TRANSACTION DISPOSAL OF INTEREST IN A JOINT VENTURE

The Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Third Supplemental Agreement on 15 March 2016 pursuant to which the parties agreed to make certain amendments to the Agreement as amended and supplemented by the Supplemental Agreement and the Second Supplemental Agreement.

Save for the amendments as set out in the Third Supplemental Agreement, all other provisions of the Agreement, the Supplemental Agreement and the Second Supplemental Agreement remain in full force and effect.

Completion is subject to the satisfaction and/or waiver of the conditions precedent under the Agreement as amended and supplemented by the Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement, therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reference is made to the announcements (the “**Announcements**”) issued by the Company on 4 February 2016 and 19 February 2016 respectively. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the third supplemental agreement (the “**Third Supplemental Agreement**”) on 15 March 2016 pursuant to which the parties agreed to make certain amendments to the Agreement as amended and supplemented by the Supplemental Agreement and the Second Supplemental Agreement.

Pursuant to the Third Supplemental Agreement, the Vendor and the Purchaser agree that, among other things:-

- (1) in consideration of the Purchaser (i) undertaking to use its best endeavours in completing the acquisition of 3,330 ordinary shares of the Joint Venture held by Million Global Limited, representing one-third of the issued shares of the Joint Venture on or before 30 April 2016; and (ii) agreeing to complete the transfer of a debt for construction fee in respect of construction of a nursery in Silver Gain Plaza owing by the PRC Company to the relevant constructor(s) as at 31 March 2016 (the “**Construction Fee Debt**”) from the PRC Company (by way of, including but not limited to, taking assignment of, providing a guarantee for and repaying such debt) to the Purchaser on or before 31 March 2016, the Vendor agreed to:
 - (i) reduce the finance amount from RMB366,000,000 to an amount equivalent to RMB366,000,000 minus the Construction Fee Debt (the “**Finance Amount**”); and
 - (ii) extend the time period within which the Finance Amount will be provided by the Purchaser or other finance provider(s) appointed by the Purchaser to an escrow account of the PRC Company from 15 March 2016 to 30 April 2016;
- (2) after the Purchaser completes the transfer of the Construction Fee Debt from the PRC Company (by way of, including but not limited to, taking assignment of, providing a guarantee for and repaying such debt) to the Purchaser on or before 31 March 2016, the Purchaser or other finance provider(s) appointed by the Purchaser will provide the Finance Amount to an escrow account of the PRC Company on or before 30 April 2016; if the Purchaser or other finance provider(s) appointed by the Purchaser fails to provide the Finance Amount to an escrow account of the PRC Company on or before 30 April 2016, the Agreement as amended and supplemented by the Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement shall terminate automatically and whereupon none of the parties shall have any obligations towards the others save and except for any antecedent breach; and

(3) save for the amendments as set out in the Third Supplemental Agreement, all other provisions of the Agreement, the Supplemental Agreement and the Second Supplemental Agreement remain in full force and effect.

Completion is subject to the satisfaction and/or waiver of the conditions precedent under the Agreement as amended and supplemented by the Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement, therefore, may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
Wong Tat Chang, Abraham
Chairman and Managing Director

Hong Kong, 15 March 2016

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Wong Tat Chang, Abraham (Chairman and Managing Director), Mr. Wong Tat Kee, David and Mr. Wong Tat Sum, Samuel as Executive Directors, and Mdm. Lam Hsieh Lee Chin, Linda, Mr. Li Kwok Sing, Aubrey and Mr. Sit Hoi Wah, Kenneth as Independent Non-Executive Directors.