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*(formerly known as Sateri Holdings Limited (賽得利控股有限公司))
(incorporated in Bermuda with limited liability)
(Stock Code: 1768)*

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

The Board announces that it has received a proposal from BHL, a company wholly owned by the ultimate controlling shareholder of the Company, to privatise the Company by way of a scheme of arrangement under section 99 of the Companies Act of Bermuda involving the cancellation of all outstanding shares not already held by the BHL or Gold Silk. If such an offer proceeds, it could lead to a privatisation and delisting of the Company from the Stock Exchange.

There is no assurance that the aforesaid offer and potential privatisation and delisting will materialise or eventually be consummated. Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9.00am on 16 June 2016 pending the release of this announcement. An application has been made for the resumption of trading with effect from 9.00am on 17 June 2016.

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

The board of directors (the “**Board**”) of Bracell Limited (the “**Company**”) announces that on 15 June 2016 (after market close), it received a proposal from BHL Limited (“**BHL**”), a company wholly owned by the ultimate controlling shareholder of the Company (the “**Ultimate Controlling Shareholder**”), to make an offer to privatise the Company by way of a scheme of arrangement under section 99 of the Companies Act of Bermuda involving the cancellation of all outstanding shares not already held by BHL or Gold Silk Holdings Limited (“**Gold Silk**”) (the “**Proposal**”). As at the date of this announcement, BHL and Gold Silk are interested in 2,863,496,750 ordinary shares of the Company, representing approximately 83.69% of the total issued share capital of the Company.

The Proposal, if it materialises, could lead to a privatisation and delisting of the Company from the Stock Exchange.

There is no assurance that the Proposal or potential privatisation and delisting will materialise or eventually be consummated. Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

Further announcements will be made by the Company as and when appropriate and in compliance with the relevant requirements of the Listing Rules and the Takeovers Code.

As at the date of this announcement, the relevant securities of the Company in issue comprised 3,421,420,250 ordinary shares.

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined in the Takeovers Code) of the Company, BHL and/or Gold Silk are reminded to disclose their dealings in the relevant securities of the Company pursuant to the requirements of the Takeovers Code.

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9.00am on 16 June 2016 pending the release of this announcement. An application has been made for the resumption of trading with effect from 9.00am on 17 June 2016.

By Order of the Board
Bracell Limited
John Jeffrey Ying
Chairman

Hong Kong, 17 June 2016

As at the date of this announcement, the Board comprises Mr. TEY Wei Lin (Chief Executive Officer) as an Executive Director; and Mr. John Jeffrey YING (Chairman), Mr. Jeffrey LAM Kin Fung, Mr. David YU Hon To, Mr. LIM Ah Doo, Mr. LOW Weng Keong and Mr. Armin MEYER as Independent Non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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 statements in this announcement misleading.

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

“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 \$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.”