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CHINA ASSETS (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 170)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Reference is made to the joint announcement of China Assets (Holdings) Limited (the “**Company**”) and New Synergies Investments Company Limited (the “**Offeror**”) dated 4 July 2017 (the “**Joint Announcement**”) in relation to, among other things, the proposal for the privatisation of the Company by the Offeror by way of a scheme of arrangement under section 673 of the Companies Ordinance and the proposed withdrawal of listing of the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

The Board is pleased to announce that Convoy Capital Hong Kong Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), has been appointed as the independent financial adviser of the Company to advise the independent committee of the Board (the “**Independent Board Committee**”) in connection with the Proposal and the Scheme. The Independent Board Committee, comprising all independent non-executive Directors, namely, Mr. Fan Jia Yan, Mr. Wu Ming Yu and Dr. David William Maguire has been established by the Board and has approved such appointment of Convoy Capital Hong Kong Limited pursuant to Rule 2.1 of the Takeovers Code. Ms. Lao Yuan Yuan, a non-executive Director, is a daughter of Mr. Lo Yuen Yat and is therefore deemed to be materially interested in the Proposal. Mr. Yeung Wai Kin and Mr. Zhao Yu Qiao, both non-executive Directors, are presumed to be acting in concert with Mr. Lo Yuen Yat under class (6) of the definition of “acting in concert” under the Takeovers Code and therefore are also regarded as having an interest in the Proposal. Ms. Lao Yuan Yuan, Mr. Yeung Wai Kin and Mr. Zhao Yu Qiao therefore cannot be in the Independent Board Committee.

Warnings:

Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor and/or other professional advisers.

By order of the Board
China Assets (Holdings) Limited
Lo Yuen Yat
Chairman

Hong Kong, 24 July 2017

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

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.