

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities nor is it calculated to invite any such offer or invitation. In particular, this announcement does not constitute and is not an offer to sell or an invitation or solicitation of any offer to buy or subscribe for any securities in Hong Kong, the United States of America or elsewhere.

CHINA ASSETS (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 170)

CHANGE OF INDEPENDENT FINANCIAL ADVISER

Reference is made to (i) the joint announcement of China Assets (Holdings) Limited (the “**Company**”) and New Synergies Investments Company Limited (the “**Offeror**”) dated 3 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; (ii) the joint announcement of the Company and the Offeror dated 21 July 2017 in relation to the delay in despatch of scheme document; and (iii) the announcement of the Company dated 24 July 2017 in relation to appointment of independent financial adviser (the “**IFA Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

As disclosed in the IFA Announcement, Convoy Capital Hong Kong Limited (“**Convoy**”) was appointed as the independent financial adviser of the Company to advise the Independent Board Committee in connection with the Proposal and the Scheme. Convoy has resigned as the independent financial adviser with effect from 12 August 2017 due to an independence issue which created or is likely to create the perception of a conflict of interest which was only discovered after its appointment.

The Board is pleased to announce that Nuada 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 Board Committee in connection with the Proposal and the Scheme with effect from 14 August 2017 to fill the vacancy following the resignation of Convoy. The Independent Board Committee has approved such appointment of Nuada Limited pursuant to Rule 2.1 of the Takeovers Code.

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, 14 August 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.