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DOYEN INTERNATIONAL HOLDINGS LIMITED

東銀國際控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 668)

(1) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF EQUITY INTEREST IN DOYEN SHELL;

AND

(2) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF EQUITY INTEREST IN DOYEN SHELL

On 28 December 2018, the Company, Chongqing Baoxu (as a transferee), the JV Company (as a transferee), the Borrower and Shuorun Petrochemical (as the transferor) entered into the Agreements, pursuant to which, among others, (i) Shuorun Petrochemical has conditionally agreed to transfer the Equity Interest to Chongqing Baoxu and the JV Company as settlement of the Loans; and (ii) Shuorun Petrochemical has undertaken to, subsequent to Completion, repurchase the Equity Interest from Chongqing Baoxu and the JV Company respectively on or before 31 December 2019.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Transfer contemplated under the Equity Interest Transfer Agreement exceed(s) 100%, the acquisition of equity interest in Doyen Shell pursuant to the Transfer contemplated under the Equity Interest Transfer Agreement constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval by the Shareholders at the EGM.

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Repurchase contemplated under the Equity Interest Transfer Agreement exceed(s) 75%, the disposal of equity interest in Doyen Shell pursuant to the Repurchase contemplated under the Equity Interest Transfer Agreement constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval by the Shareholders at the EGM.

As at the date of this announcement, (i) approximately 77.78% and 22.22% of the equity interest of the Borrower is owned by Mr. Lo and his spouse, Ms. Chiu, respectively; and (ii) Shuorun Petrochemical is an indirect non-wholly-owned subsidiary of the Borrower. Given that Mr. Lo is an executive Director, Chairman and the Controlling Shareholder, each of the Borrower and Shuorun Petrochemical is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Equity Interest Transfer Agreement constitute connected transactions for the Company, and are subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee to advise the Independent Shareholders in connection with the Equity Interest Transfer Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Equity Interest Transfer Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other matters, (i) further details of the Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Interest Transfer Agreement and the transactions contemplated thereunder; (iv) financial information of Doyen Shell; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 28 February 2019 in order to allow sufficient time for the Company to prepare for the information to be included in the circular.

As Completion is conditional upon the fulfillment of the conditions precedent set out in the Equity Interest Transfer Agreement, and is conditional upon, among other things, the Company being satisfied with the results of the due diligence review and the obtaining of the Shareholders' approval for the Equity Interest Transfer Agreement and the transactions completed thereunder, the transactions contemplated under the Equity Interest Transfer Agreement may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares or other securities of the Company.

Reference is made to the announcements of Company dated 18 January 2018, 11 April 2018 (the "**April Announcement**"), 3 July 2018 (the "**July Announcement**") and 31 October 2018 in relation to the status of the Loans granted by the Group to the Borrower.

On 28 December 2018, the Company, Chongqing Baoxu (as a transferee), the JV Company (as a transferee), the Borrower and Shuorun Petrochemical (as the transferor) entered into the Agreements, pursuant to which, among others, (i) Shuorun Petrochemical has conditionally agreed to transfer the Equity Interest to Chongqing Baoxu and the JV Company as settlement of the Loans; and (ii) Shuorun Petrochemical has undertaken to, subsequent to Completion, repurchase the Equity Interest from Chongqing Baoxu and the JV Company respectively on or before 31 December 2019. Set out below are the principal terms of Agreements.

THE EQUITY INTEREST TRANSFER AGREEMENT

Date:

28 December 2018

Parties

- (1) The Company;
- (2) Chongqing Baoxu, as a transferee;
- (3) the JV Company, as a transferee;
- (4) the Borrower; and
- (5) Shuorun Petrochemical, as the transferor.

As at the date of this announcement:

- (i) Mr. Lo, an executive Director, the chairman of the Board and the Controlling Shareholder, was interested in approximately 77.78% of the equity interest of the Borrower;
- (ii) Ms. Chiu, the spouse of Mr. Lo, was interested in approximately 22.22% of the equity interest of the Borrower; and
- (iii) Shuorun Petrochemical was indirectly non-wholly-owned by the Borrower.

Subject matter

Shuorun Petrochemical has conditionally agreed to transfer the Equity Interest to Chongqing Baoxu and the JV Company as settlement of the Outstanding Loan Amount. The value of the Equity Interest to be transferred shall be equivalent to the Outstanding Loan Amount as at the Reference Date, being approximately RMB477,595,000, of which approximately 74% and 26% shall be transferred to Chongqing Baoxu and the JV Company, respectively. The actual percentage of the registered capital in Doyen Shell which the Equity Interest would represent shall be determined based on the valuation of Doyen Shell by an independent professional valuer appointed by the Company.

Conditions precedent

Completion is conditional upon the following conditions having been fulfilled:

- (i) the passing of resolution(s) at the EGM in accordance with the requirements of the Listing Rules and all other applicable laws and regulations to approve, among other matters, the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including the Transfer and the Repurchase);
- (ii) the Company having obtained all necessary consents and approvals for the Transfer and the Repurchase from all government and/or regulatory authorities in Hong Kong (if applicable);
- (iii) all parties having confirmed the Outstanding Loan Amount as at the Reference Date;
- (iv) the Company having obtained the valuation report of Doyen Shell from an independent professional valuer appointed by the Company, of which the valuation of Doyen Shell shall not be less than RMB1,200,000,000;
- (v) the Borrower and Shuorun Petrochemical having obtained (a) the written consent of the existing equity holders of Doyen Shell in relation to the Equity Interest Transfer Agreement and the transactions contemplated thereunder (including the Transfer and the Repurchase); and (b) the unanimous agreement between Chongqing Baoxu, the JV Company and the existing equity holders of Doyen Shell in relation to the amendments of the existing joint venture agreement and articles of association of Doyen Shell.

The above conditions precedents are not capable of being waived by any party to the Equity Interest Transfer Agreement. In the event that conditions (i) and (ii) above have not been fulfilled on or before 31 March 2019; or conditions (iii), (iv) and (v) above have not been fulfilled on or before 31 January 2019, the Equity Interest Transfer Agreement shall lapse and be of no further effect, none of the parties to the Equity Interest Transfer Agreement shall have any claim against each other by any means based on the Equity Interest Transfer Agreement, save for any antecedent breaches of the Equity Interest Transfer Agreement.

As at the date of this announcement, the Company has appointed an independent professional valuer in relation to the valuation of Doyen Shell. Details of the valuation will be included in the circular to be despatched to the Shareholders. The Directors confirm that as at the date of this announcement, condition (iii) has been fulfilled.

Completion

Completion shall take place on or before 30 June 2019 (the “**Completion Deadline**”) after all the conditions precedent to the Equity Interest Transfer Agreement have been fulfilled. The Completion Deadline may be extended by 90 days (the “**Extended Completion Deadline**”) if the Group receives 30% of the Outstanding Loan Amount at any time prior to Completion Deadline (the “**First Extension**”). Subsequent to the First Extension, the Extended Completion Deadline may be further extended by 90 days if the Group receives a further 30% of the Outstanding Loan Amount at any time prior to the Extended Completion Deadline (the “**Second Extension**”).

The Repurchase

Shuorun Petrochemical is under an obligation to, subject to Completion, repurchase the Equity Interest on or before 31 December 2019 at the Repurchase Price (the “**Repurchase**”). The Repurchase Price shall be equivalent to the sum of (i) the Transfer Price; (ii) an amount representing a notional interest calculated at an interest rate of 15.5% per annum for the period from the Reference Date to the date of Completion; (iii) an amount representing a notional interest calculated at an interest rate per annum of 10.5% for the period from the next day following the date of Completion to the date of payment of the Repurchase Price; and (iv) the relevant cost incurred by the Group in relation to the Repurchase, less the aggregate amount of dividend declared and distributed by Doyen Shell to Chongqing Baoxu and the JV Company.

As a security for the fulfillment by Shuorun Petrochemical of its obligation under the Repurchase, Shuorun Petrochemical has granted a charge over its entire remaining equity interest in Doyen Shell subsequent to the Transfer in favour of Chongqing Baoxu and the JV Company in proportion to their respective shareholding in Doyen Shell.

Termination

The Equity Interest Transfer Agreement shall be automatically terminated at any time prior to Completion if the Group receives payment of the Outstanding Loan Amount in full.

MINORITY EQUITY HOLDER PROTECTION AGREEMENT

Date:

28 December 2018

Parties

- (1) Chongqing Baoxu;
- (2) the JV Company; and
- (3) Shuorun Petrochemical.

Undertaking

Chongqing Baoxu, the JV Company and Shuorun Petrochemical undertook that, during the period when Chongqing Baoxu, the JV Company and Shuorun Petrochemical are concurrently registered as the equity holders of Doyen Shell, Shuorun Petrochemical (including the directors, supervisors and senior management of Doyen Shell who are nominated by Shuorun Petrochemical) shall consult Chongqing Baoxu and the JV company for any proposal, issue or recommendation to be made to, or any decision to be made by, the board of directors of Doyen Shell in relation to the following:

- (i) change in registered capital of Doyen Shell (which may affect the equity holding of Chongqing Baoxu and the JV Company in Doyen Shell);
- (ii) declaration and distribution of dividends pursuant to the articles of association and the joint venture agreement of Doyen Shell;
- (iii) any requirement on the Company, Chongqing Baoxu or the JV Company to provide capital, loans or guarantees or to assume any duty or fulfill any obligations;
- (iv) any connected transaction (including connected transactions as defined by the Listing Rules), save for those disclosed in the audit report of Doyen Shell for the year ended 31 December 2017; and
- (v) any other decisions which may affect the interest of Chongqing Baoxu and the JV Company each as a minority equity holder of Doyen Shell.

The directors of Doyen Shell nominated by Shuorun Petrochemical shall make all decisions in relation to the above matters by mutual consensus among each of Chongqing Baoxu, the JV Company and Shuorun Petrochemical. If consensus cannot be reached, such directors shall make such decisions based on the determination of Chongqing Baoxu.

As at the date of this announcement, four out of eight directors of Doyen Shell were nominated by Shuorun Petrochemical.

LOAN TRANSFER AGREEMENT

Date:

28 December 2018

Parties

- (1) The Company; and
- (2) Chongqing Baoxu.

As at the date of this announcement, Chongqing Baoxu was a non-wholly owned subsidiary of the Company, of which 70% of its equity interest is held by the Company.

Transfer of loans

The Company and Chongqing Baoxu agreed that, upon Completion, all loans owed by the Borrower to the Company (i.e. the Doyen Loan and the Doyen 2nd Loan) shall be owed by Chongqing Baoxu to the Company (the “**Transferred Loans**”).

Upon the receipt of any payment by the Chongqing Baoxu pursuant to the Repurchase or any repayment of the Loans, Chongqing Baoxu shall repay part of such payment to the Company at the proportion equivalent to the aggregate outstanding amount of the Transferred Loans to that of the Baoxu Loan, the Doyen Loan and the Doyen 2nd Loan as at the Reference Date (i.e. approximately 74.4%).

Termination

The Loan Transfer Agreement shall be automatically terminated in the event of the termination of the Equity Interest Transfer Agreement.

INFORMATION OF DOYEN SHELL

Doyen Shell is a Sino-foreign joint venture company established in the PRC with limited liability. It is principally engaged in the construction, transformation, operation and management of gas stations in the Chongqing Province, the PRC; and the supply of gasoline, diesel and lubricating oils for motor vehicles and the provision of vehicle maintenance.

As at the date of this announcement, Doyen Shell was owned as to approximately 51.00% by Shuorun Petrochemical, approximately 34.58% by Shell (China) Company Limited* (殼牌(中國)有限公司) and approximately 14.42% by Shell China Holding Private Company Limited* (殼牌中國控股私有有限公司).

Set out below is the audited financial information of Doyen Shell for the two years ended 31 December 2017 prepared in accordance with the accounting standards of the PRC:

	For the year ended 31 December	
	2016	2017
	<i>(RMB million)</i>	<i>(RMB million)</i>
Profit before tax	188.9	207.0
Profit after tax	142.4	155.0

The unaudited total asset value and net asset value of Doyen Shell as at 31 August 2018 were approximately RMB904.3 million and RMB754.4 million respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Doyen Shell was established by Shuorun Petrochemical and there is no original acquisition cost of the Equity Interest to Shuorun Petrochemical.

INFORMATION OF THE GROUP, CHONGQING BAOXU AND THE JV COMPANY

The Group is principally engaged in investment property holding, provision of loan financing and investment holding.

Chongqing Baoxu is principally engaged in corporate management consultation and property management. As at the date of this announcement, Chongqing Baoxu was indirectly owned by the Company as to 70%.

The JV Company is principally engaged in the provision of loan financing and leasing business. As at the date of this announcement, JV Company was indirectly owned by the Company as to approximately 77.58%.

INFORMATION OF THE BORROWER AND SHUORUN PETROCHEMICAL

To the best of the knowledge, information and belief of the Directors, the Borrower is a limited liability company established in the PRC. As at the date of this announcement, the equity interest of the Borrower is owned by Mr. Lo as to approximately 77.78% and Ms. Chiu Kit Hung as to approximately 22.22%. The Borrower is principally engaged in the investment business, business related to construction and the provision of corporate management consultation services.

To the best of the knowledge, information and belief of the Directors, Shuorun Petrochemical is a limited liability company established in the PRC. As at the date of this announcement, Shuorun Petrochemical is indirectly non-wholly-owned by the Borrower. Shuorun Petrochemical is principally engaged in the sale of chemical products, construction materials, decoration materials, lubricating oils, metals and electric appliances.

REASONS FOR THE TRANSFER AND THE REPURCHASE

Since January 2018, the Company has not received the repayment of the principal amount of the Loans and the relevant interest. As notified by the Borrower, the Borrower proposed to undergo debt restructuring of the Borrower's group (the "**Proposed Debt Restructuring**"). Taking into account that (i) considerable time has elapsed since the default of the Loans; and (ii) the perceived uncertainty of the timeline and outcome of the Proposed Debt Restructuring, the Group and the Borrower intend to secure the repayment of the Loans through the Transfer where the Group could obtain the equity interest in Doyen Shell with value equivalent to the Outstanding Loan Amount as at the Reference Date.

Based on the market research conducted by the Company, the Directors estimate that the price earnings ratio of Doyen Shell is around 10 times. On the other hand, based on the audit reports of Doyen Shell for the three years ended 31 December 2017, the net profit (after tax) of Doyen Shell during the three years ended 31 December 2017 was approximately RMB50.5 million, RMB142.4 million and RMB155.0 million, respectively, representing an enduring increase net profit (after tax) over the past three years. Taking into account (i) the estimated price earnings ratio of Doyen Shell being around 10 times and the rapid growth of the Doyen Shell in the past three years; and (ii) the preliminary discussion with the independent valuer appointed by the Company, the Company expects the valuation of Doyen Shell will fall within the range of RMB3,500 million to RMB4,500 million and not be less than RMB1,200 million. As such, the Equity Interest is estimated to represent approximately 10-15% of the entire issued equity interest of Doyen Shell. According to the Equity Interest Transfer Agreement, one of the conditions precedent provides that the valuation of Doyen Shell shall not be less than RMB1,200,000,000. Assuming the valuation of Doyen Shell is at its minimum of RMB1,200,000,000, the Equity Interest will represent at the maximum of approximately 39.80% of the entire issued equity interest of Doyen Shell.

The Directors consider that, during the period when Chongqing Baoxu and the JV Company act as the minority equity holders of Doyen Shell, the interest of the Group can be protected through the Minority Equity Holder Protection Agreement regarding decisions to be made in respect of issues as stated in the Minority Equity Holder Protection Agreement. As such, the Directors consider that the Transfer can protect the interest of the Company and its Shareholders.

Regarding the Repurchase, as disclosed in the April Announcement and the July Announcement, China Huarong Asset Management Co., Ltd. Chongqing City Branch* (中國華融資產管理股份有限公司重慶市分公司) (“**Huarong**”) has been engaged to commence the relevant process for the Proposed Debt Restructuring. As far as the Directors are aware, as at the date of this announcement, it is expected that, through the Proposed Debt Restructuring, Shuorun Petrochemical will be provided with the requisite funds to effect the Repurchase through the Proposed Debt Restructuring. In case where the Equity Interest is being repurchased by Shuorun Petrochemical on or before 31 December 2019, the Group will then receive a sum of payment equivalent to the outstanding principal and interest of the Loans.

Despite the fact that the Company is uncertain as to whether and when the Proposed Debt Restructuring will complete, the Directors believe that the Borrower will eventually be provided with the requisite funds to proceed with the Repurchase as Doyen Shell is considered to be one of the more valuable and profitable company within the Borrower’s group and, therefore, obtaining control over Doyen Shell is one of the priorities of the relevant parties of the Debt Restructuring.

The Group has no intention to be engaged in petrochemical business. The purpose of the Transfer is solely to secure the repayment of the Loans. Upon completion, the Group does not intend to nominate directors of Doyen Shell. As such, the Group will remain as a passive investor of Doyen Shell. In the event where, in breach of the Equity Interest Transfer Agreement on the part of the Borrower and Shuorun Petrochemical, the Repurchase does not take place by 31 December 2019, the Group will consider disposing of the Equity Interest for cash, or retain the Equity Interest as investment only in case where a search for potential purchaser of the Equity Interest is unsuccessful.

Having considered the above, the Directors consider that the terms of the Equity Interest Transfer Agreement are fair and reasonable and on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE TRANSFER

Since the Equity Interest to be transferred under the Equity Interest Transfer Agreement will be repurchased at the Repurchase Price and any dividend distributed by Doyen Shell to the Group will be deducted from the Repurchase Price, under Hong Kong Financial Reporting Standards (HKFRS), the Equity Interest shall continue to be treated as an equity interest of Shuorun Petrochemical from an accounting perspective. This is because Shuorun Petrochemical substantially retains all the risks and rewards of ownership of the relevant shares. As such, upon completion of the Transfer, the Group will not recognise the Equity Interest and will continue to recognise the loan to the Borrower as financial assets at amortised cost (under HKFRS 9).

INTENDED USE OF THE REPURCHASE PRICE

The Group intends to apply the entire amount of the Repurchase Price as general working capital of the Group.

FINANCIAL EFFECT OF THE REPURCHASE

As stated in the paragraph headed “The Equity Interest Transfer Agreement – The Repurchase” above, as the Repurchase Price represents the Transfer Price, adjusted by the notional interest payable to the Group for the period from the Reference Date to the date of payment of the Repurchase Price, the dividend declared and distributed by Doyen Shell to Chongqing Baoxu and the JV Company and the relevant cost of the Repurchase incurred by the Group, it is expected that the Group will record no significant gain or loss on the disposal of the Equity Interest upon the Repurchase.

If the Repurchase does not take place on or before 31 December 2019 in breach of the Equity Interest Transfer Agreement, the accounting treatment of the Equity Interest will largely depend on the managerial intention and the actions to be taken by the Group. It is foreseen that the Company may either (1) request Shuorun Petrochemical to continue to fulfill the obligation of the Repurchase and to bear the responsibilities for the default; or (2) dispose of the Equity Interest to recover the amount of the loan receivable, with the relevant accounting treatment set out as follows:

(1) request Shuorun Petrochemical to continue to fulfill the obligation of the Repurchase and to bear the responsibilities for the default

If the Repurchase Price is not paid on or before 31 December 2019, the loan to the Borrower will continue to be treated as financial assets at amortised cost of the Group. The Group will then need to consider the value of the Equity Interest in assessing whether there will be any impairment loss on the loan receivable.

(2) dispose of the Equity Interest to recover the amount of the loan receivable

The Equity Interest would likely be treated as either a financial asset at fair value through profit or loss or as an associate under the relevant accounting principle. If the Group is considered to have significant influence over Doyen Shell, the Equity Interest will be accounted for as an associate of the Group. On the other hand, if the Group does not have significant influence, the Equity Interest will be accounted for as a financial asset at fair value through profit or loss.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Transfer contemplated under the Equity Interest Transfer Agreement exceed(s) 100%, the acquisition of equity interest in Doyen Shell pursuant to the Transfer contemplated under the Equity Interest Transfer Agreement constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval by the Shareholders at the EGM.

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Repurchase contemplated under the Equity Interest Transfer Agreement exceed(s) 75%, the disposal of equity interest in Doyen Shell pursuant to the Repurchase contemplated under the Equity Interest Transfer Agreement constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval by the Shareholders at the EGM.

As at the date of this announcement, Mr. Lo and his associates are beneficially interested in an aggregate of 785,373,018 Shares, representing approximately 61.64% of the entire issued share capital of the Company. As such, Mr. Lo shall abstain from voting on the proposed resolutions to approve the transactions contemplated under the Equity Interest Transfer Agreement at the EGM.

As at the date of this announcement, (i) approximately 77.78% and 22.22% of the equity interest of the Borrower is owned by Mr. Lo and his spouse, Ms. Chiu, respectively; and (ii) Shuorun Petrochemical is an indirect non-wholly-owned subsidiary of the Borrower. Given that Mr. Lo is an executive Director, Chairman and the Controlling Shareholder, each of the Borrower and Shuorun Petrochemical is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Equity Interest Transfer Agreement constitute connected transactions for the Company, and are subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee to advise the Independent Shareholders in connection with the Equity Interest Transfer Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Equity Interest Transfer Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other matters, (i) further details of the Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee, (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Equity Interest Transfer Agreement and the transactions contemplated thereunder; (iv) financial information of Doyen Shell; and (v) a notice of the EGM, is expected to be despatched to the Shareholders on or before 28 February 2019 in order to allow sufficient time for the Company to prepare for the information to be included in the circular.

As Completion is conditional upon the fulfillment of the conditions precedent set out in the Equity Interest Transfer Agreement, and is conditional upon, among other things, the Company being satisfied with the results of the due diligence review and the obtaining of the Shareholders' approval for the Equity Interest Transfer Agreement and the transactions completed thereunder, the transactions contemplated under the Equity Interest Transfer Agreement may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares or other securities of the Company.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Agreements”	collectively, (i) the Equity Interest Transfer Agreement; (ii) the Loan Transfer Agreement; and (iii) the Minority Equity Holder Protection Agreement
“Baoxu Loan”	a term loan in the principal amount of RMB80 million (equivalent to approximately HK\$90.4 million) granted by Chongqing Baoxu to the Borrower pursuant to the terms of the Baoxu Loan Agreement
“Baoxu Loan Agreement”	a loan agreement dated 8 November 2016 and entered into between Chongqing Baoxu and the Borrower
“Board”	the board of Directors
“Borrower”	重慶東銀控股集團有限公司 (Chongqing Doyen Holdings Group Co., Ltd.*), a company established with limited liability under the laws of the PRC
“Chongqing Baoxu”	重慶寶旭商業管理有限公司 (Chongqing Baoxu Commercial Property Management Limited*), a company established in the PRC with limited liability, the holding company of Dong Dong Mall and a non-wholly owned subsidiary of the Company as at the date of this announcement, of which 70% of its equity interest is held by the Company

“Company”	Doyen International Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 668)
“Completion”	the completion of the Transfer pursuant to the terms of the Equity Interest Transfer Agreement
“Controlling Shareholder(s)”	controlling shareholder(s) (which has the meaning ascribed to it under the Listing Rules) of the Company
“Director(s)”	the director(s) of the Company
“Doyen 2nd Loan”	a term loan in the principal amount of RMB150 million (equivalent to approximately HK\$169.5 million) granted by the Company to the Borrower pursuant to the terms of the Doyen 2nd Loan Agreement
“Doyen 2nd Loan Agreement”	a loan agreement dated 6 March 2017 and entered into between the Company and the Borrower
“Doyen Loan”	a term loan in the principal amount of RMB80 million (equivalent to approximately HK\$90.4 million) granted by the Company to the Borrower pursuant to the terms of the Doyen Loan Agreement
“Doyen Loan Agreement”	a loan agreement dated 8 November 2016 and entered into between the Company and the Borrower
“Doyen Shell”	重慶東銀殼牌石化有限公司 (Chongqing Doyen Shell Petrochemical Co., Ltd*), a company established with limited liability under the laws of the PRC and indirectly owned by the Borrower through Shuorun Petrochemical as to 51%
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Equity Interest Transfer Agreement and the transactions contemplated thereunder
“Equity Interest”	the equity interest in Doyen Shell, being pledged to Chongqing Baoxu and the JV Company as at the date of this announcement, to be transferred to Chongqing Baoxu and the JV Company pursuant to the Equity Interest Transfer Agreement, the value of which shall be equivalent to the Outstanding Loan Amount as at the Reference Date
“Equity Interest Transfer Agreement”	the agreement dated 27 December 2018 and entered into between the Company, Chongqing Baoxu, the JV Company, the Borrower and Shuorun Petrochemical in relation to the Transfer

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company whose members comprises all the independent non-executive Directors to advise the Independent Shareholders on the terms of the Equity Interest Transfer Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Lo, Ms. Chiu and their respective associates
“JV Company”	東葵融資租賃(上海)有限公司 (Dongkui Financial Leasing (Shanghai) Co. Ltd.*), a sino-foreign joint venture enterprise established under the laws of the PRC, of which 77.58% of its equity interest is held by the Company
“JV Loan”	a term loan in the principal amount of RMB110 million (equivalent to approximately HK\$124.3 million) granted by the JV Company to the Borrower pursuant to the terms of the JV Loan Agreement
“JV Loan Agreement”	a loan agreement dated 11 November 2016 entered into between the JV Company and the Borrower
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	collectively the Doyen Loan, the Baoxu Loan, the JV Loan and the Doyen 2nd Loan
“Loan Transfer Agreement”	the agreement dated 28 December 2018 and entered into between the Company and Chongqing Baoxu pursuant to which, upon the Completion, the Doyen Loan and the Doyen 2nd Loan shall be owed by Chongqing Baoxu to the Company
“Minority Equity Holder Protection Agreement”	the agreement dated 28 December 2018 and entered into between Chongqing Baoxu, the JV Company and Shuorun Petrochemical pursuant to which, during the period when Chongqing Baoxu, the JV Company and Shuorun Petrochemical are the equity holders of Doyen Shell, in relation to proposals or resolutions which may affect the interest of minority equity holders of Doyen Shell, the directors of Doyen Shell as appointed by Shuorun Petrochemical shall act in accordance with the consensus of Chongqing Baoxu, the JV Company and Shuorun Petrochemical

“Mr. Lo”	Mr. Lo Siu Yu, the spouse of Ms. Chiu, an executive Director, the chairman of the Company and the Controlling Shareholder
“Ms. Chiu”	Ms. Chiu Kit Hung, the spouse of Mr. Lo
“Outstanding Loan Amount”	the aggregate outstanding amount of the Loans, including the relevant principal, outstanding interests and the relevant cost incurred by the Group in effecting the transactions pursuant to the Agreements
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Reference Date”	31 October 2018
“Repurchase”	the repurchase of the Equity Interest by Shuorun Petrochemical on or before 31 December 2019 at the Repurchase Price pursuant to the Equity Interest Transfer Agreement
“Repurchase Price”	a sum of payment equivalent to (i) the Transfer Price; (ii) an amount representing a notional interest calculated at an interest rate of 15.5% per annum for the period from the Reference Date to the date of Completion; (iii) an amount representing a notional interest calculated at an interest rate of 10.5% per annum for the period from the next day following the date of Completion to the date of payment of the Repurchase Price; and (iv) the relevant cost incurred by the Group in relation to the Repurchase, less the aggregate amount of dividend declared and distributed by Doyen Shell to Chongqing Baoxu and the JV Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shuorun Petrochemical”	重慶東銀碩潤石化集團有限公司 (Chongqing Doyen Shuorun Petrochemical Group Limited*), a company established in the PRC and an indirect non-wholly-owned subsidiary of the Borrower
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transfer”	the transfer of the Equity Interest in Doyen Shell by Shuorun Petrochemical to Chongqing Baoxu and the JV Company pursuant to the Equity Interest Transfer Agreement
“Transfer Price”	the value of the Equity Interest to be transferred pursuant to the Transfer, being approximately RMB477,595,000 which is equivalent to the Outstanding Loan Amount as at the Reference Date
%	per cent

By Order of the Board
Doyen International Holdings Limited
Cho Chun Wai
Company Secretary and Executive Director

Hong Kong, 28 December 2018

As at the date of this announcement, the Board comprises Mr. Lo Siu Yu (Chairman), Mr. Tai Xing (Chief Executive Officer) and Mr. Cho Chun Wai as executive Directors; Ms. Luo Shaoying (Vice Chairman), Mr. Pan Chuan and Mr. Qin Hong as non-executive Directors; and Mr. Chan Ying Kay, Dr. Zhu Wenhui and Mr. Wang Jin Ling as independent non-executive Directors.

For illustrative purpose of this announcement and unless otherwise specified, conversion between RMB and HK\$ is based on the exchange rate of RMB1=HK\$1.13.

* *for identification purposes only*