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中國富佑集團有限公司
China For You Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

VERY SUBSTANTIAL ACQUISITION:

**THE ACQUISITION OF
THE ENTIRE EQUITY INTERESTS OF
METRO VICTOR LIMITED**

The Board announces that on 17 August 2015 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor in relation to the acquisition of the Sale Shares and the Sale Loan by the Purchaser for an aggregate consideration of HK\$210,000,000, of which HK\$80,000,000 will be satisfied in cash and the remaining balance of HK\$130,000,000 shall be satisfied by issuing the Promissory Notes to the Vendor upon Completion. The Acquisition is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions” below.

As certain of the relevant percentages exceed 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company under Rule 14.06 of the Listing Rules and is subject to, among others, the approval of the Shareholders at the EGM.

A circular containing, among other matters, further details of the Acquisition, will be despatched to the Shareholders. As the Company requires time for compiling the financial information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or about 18 September 2015.

The Board announces that on 17 August 2015 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor in relation to the acquisition of the Sale Shares and the Sale Loan by the Purchaser for an aggregate consideration of HK\$210,000,000.

SALE AND PURCHASE AGREEMENT

Date: 17 August 2015 (after trading hours)

Parties: (1) The Vendor
(2) The Purchaser

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Party and save for holding the Target Company, the Vendor does not have other significant assets. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner of the Vendor is a merchant.

The ultimate beneficial owner of the Vendor was known to the Directors during previous business occasion.

The Purchaser is a wholly owned subsidiary of the Company incorporated in the British Virgin Islands and is principally engaged in investments holding.

Asset to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell (i) the Sale Shares comprising an aggregate of 10,000 ordinary shares in the share capital of the Target Company, representing 100% of the entire issued share capital of the Target Company; and (ii) the Sale Loan.

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment. The only significant asset of the Target Company is the Property. The Target Company also holds certain furniture and fixtures in the Property but no other real estate properties.

Consideration:

The total aggregate consideration for the Acquisition is HK\$210,000,000, which shall be satisfied by the Purchaser in the following manner:

- (a) as to HK\$20,000,000, being the deposit (the “**Initial Deposit**”) and the part payment towards the consideration for the sale and purchase of the Sale Shares and the Sale Loan, shall be payable by the Purchaser to the Vendor within five Business Days from the date of signing of the Sale and Purchase Agreement;
- (b) as to HK\$40,000,000, being the further deposit (the “**Further Deposit**”, together with the Initial Deposit as the “**Deposit**”) and the part payment towards the consideration for the sale and purchase of the Sale Shares and the Sale Loan, shall be payable by the Purchaser to the Vendor within three months from the date of signing of the Sale and Purchase Agreement or within five Business Days after the approval by the Shareholders at the EGM having been obtained, whichever is later;
- (c) HK\$20,000,000 shall be payable by the Purchaser to the Vendor upon Completion; and
- (d) as to the remaining balance of HK\$130,000,000, which shall be payable by the Purchaser by issuing the Promissory Notes in the principal amount of HK\$130,000,000 to the Vendor upon Completion.

The aggregate consideration for the Acquisition was determined after arm’s length negotiations between the parties to the Sale and Purchase Agreement with reference to, among others, (i) the preliminary property valuation of the Property of HK\$400,000,000; and (ii) the outstanding Bank Loan of the Target Company upon Completion which shall not exceed HK\$190,000,000. The Directors (including the independent non-executive Directors) consider the aggregate consideration of the Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

The preliminary valuation of the Property was carried out by A.G. Wilkinson & Associates, an independent surveyor to the Company and the date of such preliminary valuation was 7 August 2015. The surveyor valued the Property by comparison method with reference to comparable market transactions as reported in the market at similar locations. The Company will include the valuation report of the Property in the circular to be despatched to the Shareholders.

The Promissory Notes

The terms of the Promissory Notes have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Issuer

The Purchaser

Principal amount

HK\$130,000,000

Interest

The Promissory Notes will carry interest at the interest rate of 2% per annum. Interest shall be payable semi-annually in arrears.

The interest rate was determined after arm's length negotiations with reference to the lending rate of loans of financial institutions.

Maturity

A fixed term of two years from the date of issue of the Promissory Notes.

Early repayment

The Purchaser could, at its option, early repay the Promissory Notes with outstanding interest accrued thereon in whole or in part in integral multiples of principal amount of HK\$1 million by giving a prior ten Business Days' written notice to the Vendor.

Transferability

The Promissory Notes are transferrable in integral multiples of principal amount of HK\$1 million.

Conditions

The Acquisition is conditional upon the satisfaction (or waiver, as the case may be) of the following:

- (a) the Purchaser being satisfied with the results of the due diligence review in particular the review of the assets, liabilities, operations and affairs of the Target Company (including but not limited to the Property) as the Purchaser may reasonably consider appropriate;
- (b) the Purchaser being satisfied that there are no title defects to the Property in accordance with Section 13 and Section 13A of the Conveyancing and Property Ordinance (Cap. 219);
- (c) production of written evidence by the Vendor to the satisfaction of the Purchaser that all debts and liabilities of the Target Company (other than the Sale Loan and the Bank Loan which shall not exceed HK\$190,000,000 and other normal accruals in the ordinary course of business of the Target Company and acceptable by the Purchaser) having been discharged, released, waived or extinguished;
- (d) all necessary consents and approvals required to be obtained on the part of the Purchaser, the Vendor and the Target Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;
- (e) the passing by the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at a general meeting of the Company to be convened and held of the necessary ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereby, and all other consents and acts required to be obtained by the Purchaser under the Listing Rules and/or other applicable laws and regulations having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;
- (f) the warranties provided by the Vendor under the Sale and Purchase Agreement remaining true, accurate and complete in all respects;

- (g) the obtaining of a valuation report (in form and substance satisfactory to the Purchaser) from a firm of independent professional valuers appointed by the Purchaser showing the valuation of the Property to be not less than HK\$400 million;
- (h) the despatch of the circular by the Company in respect of the Acquisition as required under the Listing Rules; and
- (i) the Purchaser being satisfied that there has not been any material adverse change in respect of the Target Company since the date of the Sale and Purchase Agreement.

The Purchaser may at any time at its absolute and sole discretion waive in writing the conditions (a), (b), (f) and/or (i) (in whole or in part) set out above. The other conditions set out above are incapable of being waived. The Purchaser has no current intention to waive any conditions. If the conditions set out above have not been satisfied on or before 31 December 2015, or such later date as the Vendor and the Purchaser may agree in writing (the “**Long Stop Date**”), subject to the refund of Deposit to the Purchaser without any interest, the Sale and Purchase Agreement shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter.

Completion

Completion is expected to take place on the fifth Business Day after the fulfilment (or waiver) of the conditions (or such later date as the parties to the Sale and Purchase Agreement may agree) mentioned above.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated with the Group. The Target Company will upon Completion enter into of the Tenancy Agreement with the Vendor to lease the Property to the Vendor.

The Tenancy Agreement

Date: Upon Completion of the Acquisition

Parties: (1) The Target Company as landlord

 (2) the Vendor or such other tenant as to be nominated by the Vendor as tenant

Principal terms of the Tenancy Agreement

Pursuant to the Tenancy Agreement, the Vendor as tenant has agreed to rent and the Target Company has agreed to let the Property on the following terms:–

Rental:

HK\$450,000 per month for the two years

Term:

1 year for fixed term with an option to rent the Property for the next 12 months

Deposit:

HK\$900,000, equivalent to 2 months rent and payable upon the date of the Tenancy Agreement

Commencement Date:

Upon Completion of the Acquisition

Rates and government rent shall be paid by the Target Company.

The monthly rental was determined with reference to the market rent for similar properties in the area similar to the Property. The Directors consider that the rent is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment. Immediately prior to the entering into of the Sale and Purchase Agreement, the Target Company is wholly owned by the Vendor. After Completion, the Purchaser shall be interested in the entire issued share capital of the Target Company.

The Target Company is currently holding the Property located at No. 2, Lincoln Road, Kowloon, Hong Kong. The Property is a house with gross floor area of approximately 6,702 sq. ft. and saleable area of approximately 6,659 sq. ft. The Property comprises a 3-storey garden house with a swimming pool on ground floor with internal staircase and a lift. The Property is currently used for domestic purpose and is occupied by the ultimate beneficial owner of the Vendor and his family. Based on the land search record, the Property was acquired by the Target Company in 2010 at a consideration of HK\$160,000,000.

Set below is the financial information of the Target Company:

	For the year ended 31 December 2013 HK\$ (Audited)	For the year ended 31 December 2014 HK\$ (Audited)
Profit before taxation	21,496,871	1,361,933
Profit after taxation	21,496,871	1,361,933
Net asset value	161,548,846	162,910,779

The decrease in profit of the Target Company for the year ended 31 December 2014 as compared to that for the year ended 31 December 2013 was primary due to the decrease in revaluation gain on the fair value of the Property in the year of 31 December 2014. The Target Company did not record any revenue for the years ended 31 December 2013 and 2014 and the profit of the Target Company for the years ended 31 December 2013 and 2014 were mainly due to revaluation gain on the fair value of the property.

The valuation report of the Property and the accountant's report of the Target Company shall be included in the circular to be despatched to the Shareholders in respect of the Acquisition.

REASONS FOR THE ACQUISITION

The Group is now principally engaged in (a) trading and related services; (b) investment in listed securities in Hong Kong; and (c) money lending business in Hong Kong. With the Acquisition, the Group will also engage in investment in property in Hong Kong.

As at the date of this announcement, though the Company will review its business portfolio from time to time, the Company has no current intention to dispose of or terminate or scale down of the Group's existing businesses. While the Group intends to continue to develop and expand its existing businesses, there is no current intention to inject any other new business apart from the Acquisition. The Company is actively seeking appropriate equity fund raising opportunities since the lapse of the warrant placing as announced on 4 August 2015 in order to strengthen its financial position for future business development of the Group but no understanding, agreement or arrangement has been reached as at the date of this announcement yet.

The Directors have always been proactive in seeking opportunities for diversifying of the scope of business of the Group and are optimistic to the future of Hong Kong property market. The Directors considered that the Acquisition represents an investment opportunity to participate in Hong Kong property investment market and the Tenancy Agreement will provide stable income for the Group while at the same time the Group will have the benefits from the long term appreciation of the price in luxurious properties in Hong Kong.

The Directors are optimistic to the property market in Hong Kong. It is noted that under the Acquisition Agreement, the Group need not to pay the entire consideration sum in cash at Completion and this will allow the Group to have cash reserves for its future business development.

In view of the rental income from the Tenancy Agreement with the possibility of future long term appreciation in value of the Property, the Directors believe that it is an appropriate time to invest in the Property, and the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Sale and Purchase Agreement are reasonable and fair and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATION

The Acquisition constitutes a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules and the Acquisition is subject to the approval of Shareholders at the EGM. To the best belief, information and knowledge of the Directors, after making reasonable enquiries, no Shareholders have a material interest in the Acquisition and are required to abstain from voting at the EGM.

An EGM will be convened and held for the Shareholders to, among other things, consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder including the Acquisition.

A circular containing, among other things, (i) further details of the Acquisition; (ii) the valuation report on the Property; and (iii) a notice of the EGM, will be despatched to the Shareholders. As the Company requires time for compiling the financial information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or about 18 September 2015.

DEFINITIONS

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

“Acquisition”	the acquisition by the Purchaser of the Sale Shares and the Sale Loan subject to and upon the terms and conditions of the Sale and Purchase Agreement
“associates”	has the meaning ascribed to this term under the Listing Rules
“Bank Loan”	the outstanding bank loan owed by the Company to banks, which shall not exceed HK\$190,000,000 upon Completion
“Board”	the board of Directors from time to time
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	China For You Group Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange

“Completion”	completion of the Acquisition in accordance with the Sale and Purchase Agreement
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened to consider and approve the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Promissory Note”	the promissory note in the principal amount of HK\$130,000,000 in the agreed form to be executed by the Purchaser for the purpose of settling part of the consideration of the Sale Shares and the Sale Loan
“Property”	the property located at No. 2, Lincoln Road, Kowloon, Hong Kong
“Purchaser”	Sky Eagle Global Limited, purchaser to the Sale and Purchase Agreement, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company

“Sale and Purchase Agreement”	the sale and purchase agreement dated 17 August 2015 and entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Shares and the Sale Loan
“Sale Shares”	10,000 ordinary shares in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor and its associates on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether the same is due and payable on Completion
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.001 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Metro Victor Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendor as at the date of this announcement
“Tenancy Agreement”	the tenancy agreement to be entered into among the Target Company as landlord and the Vendor (or such other tenant as nominated by the Vendor) as tenant pursuant to which the tenant shall agree to rent the Property at the monthly rental of HK\$450,000
“Vendor”	Great Well Properties Limited, a company incorporated in Hong Kong with limited liability

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board
China For You Group Company Limited
Chen Huaide
Chairman

Hong Kong, 17 August 2015

As of the date of this announcement, the Board comprises (i) five executive Directors, namely Mr. Chen Huaide, Mr. Lau Fai Lawrence, Mr. Siu Yun Fat, Mr. Yang Yang, Mr. Yu Qingrui; and (ii) three independent non-executive Directors, namely Mr. Chan Yee Por, Simon, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah.