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Great Harvest Maeta Group Holdings Limited

榮 豐 聯 合 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3683)

MAJOR AND CONNECTED TRANSACTION INVOLVING THE ISSUE OF CONVERTIBLE BONDS

On 23 December 2015 (after trading hours), the Company and the Vendors entered into the Sale and Purchase Agreement pursuant to which, subject to terms and conditions therein, the Company agreed to acquire from the Vendors the entire issued share capital of the Target Company for a total consideration of US\$54.0 million which will be settled by way of issue of the Convertible Bonds in the total principal amount of US\$54.0 million. The Target Company indirectly via its subsidiaries holds 91% interest in the PRC Company which holds the Land.

Upon completion of the Acquisition, the Target Company and its subsidiaries will become subsidiaries of the Company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Rule 14.06 of the Listing Rules.

As at the date of this announcement, the Target Company is wholly-owned by the Vendors as to 40.8%, 39.2% and 20% by Mr. Yan, Ms. Lam and Mr. Yin Hai respectively. Given that (i) Mr. Yan is the chairman of the Board, an executive Director and a controlling shareholder of the Company through his 51% shareholding interests in Ablaze Rich which in turn is interested in 616,322,500 Shares representing approximately 67.28% of the existing issued share capital of the Company; (ii) Ms. Lam is the chief executive officer of the Company, an executive Director, a controlling shareholder of the Company through her 49% shareholding interest in Ablaze Rich and the spouse of Mr. Yan; and (iii) Mr. Yin Hai is the younger brother of Mr. Yan, each of Mr. Yan, Ms. Lam and Mr. Yin Hai is a connected person of the Company. Accordingly, the Acquisition also constitutes a connected transaction of the Company and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

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

A circular containing, among other things, (i) details of the Acquisition, (ii) a letter from the independent financial adviser, (iii) a letter from the Independent Board Committee, and (iv) a notice to convene the EGM is expected to be despatched to the Shareholders on or before 15 January 2016.

As the Acquisition is subject to the conditions precedent set out in the Sale and Purchase Agreement being satisfied or waived, as applicable, and the Acquisition may or may not proceed to Completion, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 23 December 2015 (after trading hours), the Company and the Vendors entered into the Sale and Purchase Agreement pursuant to which, subject to terms and conditions therein, the Company agreed to acquire from the Vendors the entire issued share capital of the Target Company for a total consideration of US\$54.0 million which will be settled by way of issue of the Convertible Bonds in the total principal amount of US\$54.0 million. The Target Company indirectly via its subsidiaries holds 91% interest in the PRC Company which holds the Land.

THE SALE AND PURCHASE AGREEMENT

Date: 23 December 2015

Vendors: Mr. Yan, Ms. Lam and Mr. Yin Hai

Purchaser: the Company

Interest to be acquired under the Acquisition

Pursuant to the Sale and Purchase Agreement, the Vendors have agreed to sell and the Company has agreed to acquire the Sale Shares subject to and upon the terms and conditions of the Sale and Purchase Agreement.

Consideration

The consideration for the Sale Shares shall be in aggregate of US\$54.0 million, comprising of approximately (i) US\$22.0 million payable to Mr. Yan, (ii) US\$21.2 million payable to Ms. Lam and (iii) US\$10.8 million payable to Mr. Yin Hai.

Upon Completion, the consideration for the Sale Shares shall be payable and satisfied by the Company issuing, at the Company's cost and expense, the Convertible Bonds in the following manner:

- (a) as to the principal amount of approximately US\$22.0 million, to Mr. Yan;
- (b) as to the principal amount of approximately US\$21.2 million, to Ms. Lam; and
- (c) as to the principal amount of approximately US\$10.8 million, to Mr. Yin Hai.

Particulars of the Convertible Bonds are set out in the section headed "The Convertible Bonds" below.

Conditions Precedent

Completion is conditional upon the following conditions being fulfilled:

- (i) none of the warranties as stipulated in the Sale and Purchase Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect;
- (ii) the granting of the approval for the listing of, and permission to deal in, the Conversion Shares by the Listing Committee of the Stock Exchange (whether subject to conditions or not);
- (iii) the approval by the Shareholders (or, as the case may be, the Independent Shareholders) and the transactions contemplated under the Sale and Purchase Agreement and all other consents and acts required under the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange; and
- (iv) the Board (including the independent non-executive Directors) approving and authorising the transactions contemplated under the Sale and Purchase Agreement.

The Company may at its sole and absolute discretion and at any time waive in writing the condition (i) above. None of the parties may waive the conditions (ii), (iii) and (iv) above. If any of the above conditions has not been satisfied (or, as the case may be, waived by the Company) on or before 12:00 noon on the Longstop Date, the Sale and Purchase Agreement shall cease and determine and none of the parties shall have any obligations and liabilities hereunder save for any antecedent breaches of the terms hereof.

Representations, warranties, undertakings and indemnities

Pursuant to the Sale and Purchase Agreement, the Vendors have jointly and severally undertaken and warranted to the Company that each of them shall use their best endeavours to procure for, by the Completion Date:

- i. extension by the competent governmental authorities in the PRC of the deadline for commencement of construction works in respect of the Land (i.e. 31 March 2016) (the “Commencement Deadline”) as stipulated in the “agreement for development deadline of state-owned construction land” (Hai Tu Zhi Chu [2015] No. 7) (《國有建設用地限期開發協議》(海土資處【2015】第7號) dated 11 March 2015 entered into between Haikou Bureau of Land Resources (海口市國土資源局) and PRC Company to a date falling on or after 30 September 2016; and
- ii. clarification or change of the permitted land use in respect of the Land by the competent governmental authorities in the PRC so that the Company’s intended use of the Land (i.e. for the purpose of (i) trading centre and exhibition facilities for trading in tree seedlings and other nursery stocks, (ii) serviced apartments, and (iii) office, retail, car parking and other ancillary facilities) may be consummated.

In addition, each of the Vendors has jointly and severally undertaken to indemnify and keep indemnified on demand the Company (for itself and as trustee for each member of the Target Group) against any loss, liability, damages, claims, fines, penalties, orders, expenses and costs or loss of profits, benefits or other commercial advantages suffered by the Company or any member of the Target Group as a result of or in connection with, among other things:

- i. any taxation (as defined in the Sale and Purchase Agreement) incurred by any member of the Target Group arising from or in connection with any transfer of equity interest in any member of the Target Group or any transfer of equity interest in any other company in which any member of the Target Group is the transferor or transferee prior to the Completion;
- ii. any irregularity in any transfer of equity interest in any member of the Target Group prior to the Completion Date or any non-compliance or alleged non-compliance by any member of the Target Group with any applicable PRC laws, rules and regulations prior to the Completion Date; and
- iii. any land appreciation tax and enterprise income tax as may be charged by the competent PRC governmental authorities against the PRC Company or any other member of the Target Group for any disposal(s) of any or all part of the Land (including any or all part of any future development thereon), at any time commencing from the Completion Date up to and including the earlier of (a) the date on which the PRC Company or any member of the Group ceases to hold any interest in the Land and (b) the expiry date of the term of use of the Land as stated in the land use right certificates in respect of the Land, provided that the Vendors shall only be liable in respect of the portion of such taxation that is attributable to the difference between (i) the book value of the Land as at 31 August 2015 and (ii) the fair value of the Land as at 30 November 2015 based on the property valuation report the full text of which will be included in the circular to be issued by the Company for the Acquisition pursuant to the applicable requirements of the Listing Rules (the “Circular”), and in any event the maximum liabilities of the Vendors under this provision

shall be limited to the amount of deferred tax liabilities as at 31 August 2015 as recorded on the audited consolidated accounts of the Target Group the full text of which will be included in the Circular.

Completion

Completion shall take place at 12:00 noon on the third Business Day after the conditions (ii), (iii) and (iv) above have been fulfilled.

THE CONVERTIBLE BONDS

Pursuant to the Sale and Purchase Agreement, the consideration for the Sale Shares shall be satisfied by the issue of the Convertible Bonds by the Company to the Vendors. The principal terms of the Convertible Bonds are as follows:

Issuer:	The Company
Principal amount:	US\$54.0 million
Interest:	Zero coupon rate
Conversion Price:	HK\$1.096 per Conversion Share, which is subject to adjustments for, among other matters, consolidation, reduction or sub-division of Shares, capitalisation of profits or reserves, rights issue, or issue of convertible securities, warrants or options carrying the right to subscribe for Shares, but no adjustment shall be made for, among other matters, (a) the issue of any Convertible Bonds and the First Convertible bonds; (b) the issue and allotment of any conversion shares upon the exercise of the conversion rights attached to the Convertible Bonds and the First Convertible Bonds; (c) the grant of any options or the issue and allotment of any Shares pursuant to the exercise of any options granted under the share option scheme of the Company; and (d) the issue and allotment of Shares to members of the public for the Company's fund raising purposes.
Exchange rate:	For the purpose of the Convertible Bonds, including for the purpose of determining the number of Conversion Shares issuable upon exercise of any conversion right at the Conversion Price, the following exchange rate shall apply: HK\$7.75 to US\$1.00.
Maturity date:	the date falling on five years from the date of issue of the Convertible Bonds
Redemption:	The Company shall redeem any Convertible Bonds which remains outstanding at 4:00 p.m. (Hong Kong time) on the maturity date at its principal amount.

Transferability: The Convertible Bonds shall be transferable to any person provided that where the Convertible Bonds are intended to be transferred to a connected person (as defined in the Listing Rules) of the Company (other than the associates (as defined in the Listing Rules) of the relevant Bondholder) such transfer shall comply with the requirements under the Listing Rules and/or requirements imposed by the Stock Exchange (if any) and shall be subject to approval by the Directors

Conversion rights: Subject to the terms and conditions of the Convertible Bonds, Bondholders have the right to convert their Convertible Bonds into Shares at any time during the period commencing from the date of issue of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) on seventh Business Day prior to the maturity date by complying with relevant procedures as set out in the terms and conditions of the Convertible Bonds, provided that no conversion right may be exercised, to the extent that following such exercise, (a) a Bondholder and parties acting in concert with it, taken together, will directly or indirectly, control or be interested in 30 per cent. or more of the entire issued Shares (or in such lower percentage as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer); or (b) the Company will be in breach of the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules.

In addition, no conversion rights attaching to the relevant Convertible Bonds may be exercised by any person who is a Restricted Holder, and the exercise of any conversion rights by a Bondholder shall constitute a confirmation, representation and warranty by the exercising Bondholder to the Company that such Bondholder is not a Restricted Holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by such Bondholder to enable him to exercise legally and validly the relevant conversion rights, to hold the Conversion Shares allotted and issued upon exercise of the conversion rights and the Company to legally and validly allot the Conversion Shares.

Conversion Shares: Assuming that the entire principal amount of the Convertible Bonds are fully converted into Conversion Shares at the initial conversion price of HK\$1.096 per Conversion Share, a total of 381,843,064 Conversion Shares will be issued which represent approximately 41.68% of the issued share capital of the Company as at the date of this announcement and approximately 29.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no other change to the issued share capital of the Company).

Please see “Conversion Shares” below for further information.

- Status: The Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- Application for listing of the Convertible Bonds: No application has been or will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.
- Voting rights: The Convertible Bonds do not confer any right to the Bondholders to attend or vote at any meeting of the Company.

CONVERSION SHARES

A total of 381,843,064 Conversion Shares will be issued to the Bondholder(s) upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$1.096 per Conversion Share. The Conversion Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the effective date of conversion of the Convertible Bonds (as defined in the terms and conditions of the Convertible Bonds) as if the Conversion Shares issued on conversion had been issued on such date (except for any right excluded by mandatory provisions of applicable law). Subject to the terms and conditions of the Convertible Bonds, a holder of Conversion Shares shall not be entitled to any rights the record date for which precedes the relevant conversion date.

The initial Conversion Price of approximately HK\$1.096 per Conversion Share (which is subject to adjustment(s) pursuant to the terms and conditions of the Convertible Bonds) represents:

- i. a discount of approximately 5.52% to the closing price of HK\$1.160 as quoted on the Stock Exchange on 23 December 2015, being the date of the Sale and Purchase Agreement; and
- ii. a discount of approximately 5.0% to the average closing price of approximately HK\$1.154 per Shares as quoted on the Stock Exchange over the last five consecutive trading days preceding the date of the Sale and Purchase Agreement.

The Conversion Price was arrived at arm's length negotiations between the Company and the Vendors and represents a discount of approximately 5.0% to the average of the closing market prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days preceding the date of the Sale and Purchase Agreement.

The Directors (excluding the independent non-executive Directors whose views will be set out in the circular to be issued by the Company) consider that the Conversion Price is fair and reasonable.

The Conversion Shares that will fall to be allotted and issued upon exercise of the conversion right attaching to the Convertible Bonds will be subject to a specific mandate to be sought at the EGM.

The 381,843,064 Conversion Shares represent approximately 41.68% of the existing issued share capital of the Company and will represent approximately 29.42% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no other change to the issued share capital of the Company).

An application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Conversion Shares.

CHANGES IN SHAREHOLDING STRUCTURE

	As at date of this announcement		Immediately after Completion and the conversion in full of the Convertible Bonds, assuming no conversion of the First Convertible Bonds and no exercise of options granted by the Company (Note 2, 3, 4 and 5)		Immediately after Completion and the conversion in full of the Convertible Bonds, assuming the conversion in full of the First Convertible Bonds and the exercise in full of options granted by the Company (Note 2, 3, 4 and 5)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Ablaze Rich (Note 1)	616,322,500	67.28%	616,322,500	47.49%	636,086,013	47.24%
Mr. Yan	—	—	155,791,970	12.0%	157,891,970	11.73%
Ms. Lam	—	—	149,682,481	11.53%	151,782,481	11.27%
Mr. Yin Hai	—	—	76,368,613	5.88%	76,368,613	5.67%
Sub-total	616,322,500	67.28%	998,165,564	76.90%	1,022,129,077	75.91%
Other Directors:						
Mr. Cao Jiancheng	500,000	0.05%	500,000	0.04%	8,300,000	0.62%
Mr. Cheung Kwan Hung	—	—	—	—	800,000	0.06%
Dr. Chan Chung Bun, Bunny	—	—	—	—	800,000	0.06%
Mr. Wai Kwok Hung	100,000	0.01%	100,000	0.01%	400,000	0.03%
Public Shareholders						
廣州匯垠發展投資合夥企業 (for identification only, Guangzhou Hui Yin Development Investment Partnership Corporation)	91,000,000	9.93%	91,000,000	7.01%	91,000,000	6.76%
Other public Shareholders	208,127,500	22.73%	208,127,500	16.04%	222,977,500	16.56%
Total	916,050,000	100%	1,297,893,064	100%	1,346,406,577	100%

Note 1: The entire issued share capital of Ablaze Rich is legally and beneficially owned by Mr. Yan as to 51% and Ms. Lam, spouse of Mr. Yan as to 49%.

Note 2: The figures assume that (i) no Shares will be issued or purchased by the Company on or after the date of this announcement up to the date of Completion; (ii) the Convertible Bonds and the First Convertible Bonds will be converted in full at their respective initial conversion price which is subject to

adjustment(s) pursuant to the terms and conditions of their respective convertible bonds; and (iii) the number of conversion shares to be converted will be subject to the terms and conditions of their respective convertible bonds.

Note 3: As at the date of this announcement, the Company had 28,750,000 outstanding options which entitled option holders to convert into 28,750,000 Shares. Mr. Yan, Ms. Lam, Mr. Cao Jiancheng, Mr. Cheung Kwan Hung, Dr. Chan Chung Bun, Bunny, Mr. Wai Kwok Hung respectively held 2,100,000, 2,100,000, 7,800,000, 800,000, 800,000, and 300,000 options, while 14,850,000 options were held by employees of the Group and independent third parties.

Note 4: First Convertible Bonds in the principal amount of US\$3,000,000, which may be converted into 19,763,513 Shares at the conversion price of HK\$1.184 per Share at the exchange rate of HK\$7.8 to US\$1.0.

Note 5: The exercise of conversion rights under the Convertible Bonds and the First Convertible Bonds are subject to their respective terms and conditions, including the restriction to any exercise of the conversion rights thereunder which would cause the Company to be in breach of the minimum public float requirement under the Listing Rules.

BASIS OF CONSIDERATION

The Consideration of US\$54.0 million in respect of the Acquisition was determined following commercial negotiations between the parties on an arm's length basis with reference to (i) the valuation of the Land as at 30 November 2015; (ii) the 91% attributable interest in the Land that the Group will acquire through acquisition of 91% equity interest in the PRC Company; and (iii) the deduction of payable by the Target Group to its related parties as at the date of the Sale and Purchase Agreement which amounted to approximately US\$3.6 million. As at 30 November 2015, the 91% of the valuation of the Land amounted to approximately RMB371.3 million (equivalent to approximately US\$57.3 million). The Consideration represents a discount of approximately 5.76% to the 91% valuation of the Land as at 30 November 2015.

The Directors (excluding the independent non-executive Directors, whose view will be set out in the circular to be issued by the Company) consider that the Consideration payable to the Vendors is fair and reasonable.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in chartering out its own dry bulk vessels.

Due to unfavourable market factors including but not limited to the oversupply of dry bulk shipping capacity in recent years, the Group had been loss making since 2012. During the year ended 31 March 2015, after the disposal of a 24-year-old capesize dry bulk vessel and the acquisition of a 4-year-old panamax dry bulk vessel, the Group's fleet size slightly reduced to 390,180 dwt. The Group also completed the disposal of a panamax dry bulk vessel in May 2015 which further decreased the Group's fleet size to 319,923 dwt. Given the volatile market, despite that the Group adhered to its proactive and prudent operating strategy and maintained the fleet charter-out percentage at approximately 95.7% throughout the year ended 31 March 2015 and achieved an improvement in fleet charter-out percentage to approximately 96.5% for the six months ended 30 September 2015, the Group continued to be loss making recording losses amounted to approximately US\$37.4 million and US\$10.8 million for the financial year ended 31 March 2015 and for the six months ended 30 September 2015 respectively. Such

losses were mainly resulted from (i) the decrease in the Group's gross profit as a result of the unfavourable market factors; and (ii) the impairment losses and/or loss on disposal on the Group's vessels.

Looking ahead, the Board is of the view that difficulties and challenges will persist in the dry bulk marine transportation market. The market is rather pessimistic about the spot dry bulk freight rate and believes that freight income will hover at low levels. Meanwhile, the imbalance of vessel supply and demand will continue to be the major factor impacting the freight market and the Board considered that such oversupply of vessels in the dry bulk marine transportation market will continue to interfere with and affect the Group's chartering income.

In order to diversify the Group's income stream and to improve the Group's financial performance, the Board has been exploring for suitable investment opportunities that may provide the Group with long term income and growth potential.

Driven by the PRC's strong economic growth and development, the PRC's flower and plant market had grown substantially in the past five years. The size of the PRC flower and plant market had been growing at a compound annual growth rate ("CAGR") of approximately 18.85% between 2010 and 2014 and the total value of flower and plant exported from the PRC had grown significant by a CAGR of approximately 12.30% between 2010 and 2013. Currently, there is no sizable and professionally managed flower and plant wholesale trade centre established in Guangdong, Guangxi and Hainan provinces of the PRC. In light of this, the Board (excluding the independent non-executive Directors, whose views will be set out in the circular to be issued by the Company) is of the view that, given the location of the Land in Hainan province and the preliminary development plan (details of which are set out in the section headed "Information on the Target Group" below) in respect of the Land, the Acquisition represents a highly attractive and unique opportunity for the Company to ride-on the growing trend in plant trading sector.

It is intended that the current management team of the Target Group led by Mr. Yin Hai will be retained following Completion. In view of the experience of the management team of the Target Group and the development potential of the Land, the Directors believe that the Acquisition will provide the Company with growth opportunities, and will be positive to the Company's business growth and financial performance.

Based on the above, the Directors (excluding the independent non-executive Directors, whose views will be set out in the circular to be issued by the Company) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE VENDORS

Mr. Yan is the chairman of the Board, an executive Director and spouse of Ms. Lam. As at the date of this announcement, Mr. Yan is legally and beneficially interested in 51% of the issued share capital of Ablaze Rich, which in turn is interested in 616,322,500 Shares, representing approximately 67.28% of the existing issued share capital of the Company.

Ms. Lam is the chief executive officer of the Company, an executive Director and the spouse of Mr. Yan. As at the date of this announcement, Ms. Lam is legally and beneficially interested in 49% of the issued share capital of Ablaze Rich.

Mr. Yin Hai is the younger brother of Mr. Yan.

INFORMATION OF THE TARGET GROUP

The Target Company is a company incorporated in the BVI and its principal business is investment holding. As at the date of announcement, the issued share capital of the Target Company is legally and beneficially owned as to 40.8% by Mr. Yan, 39.2% by Ms. Lam and 20% by Mr. Yin Hai.

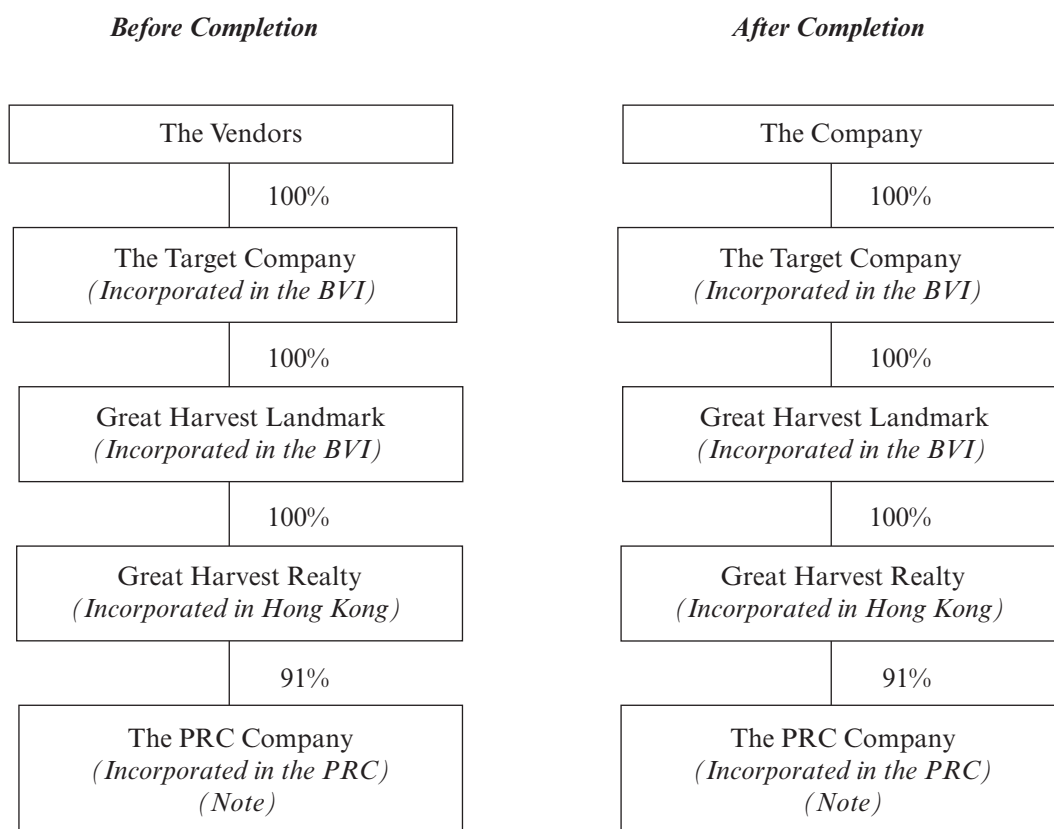
Great Harvest Landmark is a company incorporated in the BVI and its principal business is investment holding. It is wholly-owned by the Target Company as at the date of announcement.

Great Harvest Realty is a company incorporated in Hong Kong and its principal business is investment holding. It is wholly-owned by Great Harvest Landmark as at the date of announcement.

The PRC Company is a company established in the PRC and is a direct non-wholly owned subsidiary of Great Harvest Realty as at the date of this announcement. The PRC Company currently holds the Land which is located in Hainan province, the PRC. As at the date of this announcement, the PRC Company is principally engaged in the development of the Land.

(i) The group structure of the Target Group

The shareholding structure of the Target Group (i) before Completion and (ii) after the Completion is set out below:



Note: As at the date of this announcement the PRC Company is held as to 91% by Great Harvest Realty and 9% ultimately by Mr. Yin Hai, Mrs. Yin, brother of Mr. Yan and Mr. Yin Hai and relatives of Mrs. Yin.

(ii) Information of the Land

The basic particulars of the Land are as follows:

Location: Meidian Slope, Hongqi Town, Qiongsan District, Haikou, Hainan Province, The PRC (中國海南省海口市瓊山區紅旗鎮美典坡)

Site area: 132,880.56 sq.m.

Status: Vacant

The Land is located in Hongqi Town, Haikou City, Hainan province at a distance of within approximately 20 km from Hainan Haikou Meilan International Airport. According the 12th five year plan of the PRC government, Hongqi Town is regarded as one of the national core development towns of the PRC with a view to developing Hongqi Town into a key tourist spot within the region. Based on available information, the latest development plan of Hongqi Town will comprise of, among other things, (i) a hi-technology business zone for plantation of tropical flowers and tree saplings; (ii) a floral exhibition theme park; and (iii) areas for hotel and conference facilities, golf course, public parks and residential development. Upon completion of the above envisaged developments, Hongqi Town will become one of the core tropical flower and plant hi-technology plantation zone in Hainan.

According to the preliminary development proposal of the Land, (i) a trading centre and exhibition facilities for trading in tree seedlings and other nursery stocks, (ii) serviced apartments, and (iii) office, retail, car parking and other ancillary facilities are intended to be developed on the Land.

The Vendors acquired the PRC Company which held the Land at a consideration of approximately US\$8.2 million.

(iii) Financial information

Based on the Target Company's unaudited consolidated management accounts for the year ended 31 December 2014, prepared in accordance with International Financial Reporting Standards, the unaudited consolidated total assets of the Target Group was approximately US\$62.1 million and the unaudited consolidated net assets of the Target Group was approximately US\$18.3 million.

Set out below is the Target Group's unaudited consolidated net profits before taxation, consolidated net profits after taxation and consolidated net profits after taxation attributable to owners of the Target Company for the two years ended 31 December 2014, being the two financial years preceding the Acquisition:

	Year ended 31 December	
	2013	2014
	<i>(approximately US\$'million)</i>	<i>(approximately US\$'million)</i>
Unaudited consolidated profit before taxation	4.7	2.3
Unaudited consolidated profit after taxation	1.5	0.8
Unaudited consolidated profit after taxation attributable to the owners of the Target Company	1.3	0.7

Following the Completion, the Target Company and its subsidiaries will become subsidiaries of the Company and the results of the Target Group will be consolidated in the consolidated financial statements of the Company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Rule 14.06 of the Listing Rules.

As at the date of this announcement, the Target Company is wholly-owned by the Vendors as to 40.8%, 39.2% and 20% by Mr. Yan, Ms. Lam and Mr. Yin Hai respectively. Given that (i) Mr. Yan is the chairman of the Board, an executive Director and a controlling shareholder of the Company through his 51% shareholding interests in Ablaze Rich which in turn is interested in 616,322,500 Shares representing approximately 67.28% of the existing issued share capital of the Company; (ii) Ms. Lam is the chief executive officer of the Company, an executive Director, a controlling shareholder of the Company through her 49% shareholding interest in Ablaze Rich and the spouse of Mr. Yan; and (iii) Mr. Yin Hai is the younger brother of Mr. Yan, each of Mr. Yan, Ms. Lam and Mr. Yin Hai is a connected person of the Company. Accordingly, the Acquisition also constitutes a connected transaction of the Company and is subject to the reporting, announcement and the Independent Shareholder's approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, apart from Mr. Yan, Ms. Lam and Mr. Yin Hai and their respective associates, no other Shareholders have a material interest in the Acquisition and thus no other Shareholders will be required to abstain from voting on the resolution(s) to approve the Acquisition at the EGM.

GENERAL

The Independent Board Committee, comprising all three independent non-executive Directors who do not have a material interest in the Acquisition, has been formed to advise the Independent Shareholders in respect of, among other things, as to whether the terms of the Sale and Purchase Agreement (including the issue of the Convertible Bonds) are fair and reasonable and how to vote in respect of the resolution(s) on the Acquisition after taking into

account the recommendation of the independent financial adviser. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Acquisition as contemplated under the Sale and Purchase Agreement (including the issue of the Convertible Bonds).

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

A circular containing, among other things, (i) details of the Acquisition, (ii) a letter from the independent financial adviser, (iii) a letter from the Independent Board Committee, and (iv) a notice to convene the EGM is expected to be despatched to the Shareholders on or before 15 January 2016.

As the Acquisition is subject to the conditions precedent set out in the Sale and Purchase Agreement being satisfied or waived, as applicable, and the Acquisition may or may not proceed to Completion, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Ablaze Rich”	Ablaze Rich Investments Limited (耀豐投資有限公司), a company incorporated in the BVI on 1 July 2008 and the holding company of the Company
“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendors pursuant to the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bondholder(s)”	holder(s) of the Convertible Bonds
“Business Day”	a day on which banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	the British Virgin Islands
“Company”	Great Harvest Maeta Group Holdings Limited (榮豐聯合控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date on which the Completion takes place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the total consideration payable by the Company to the Vendors for the Sale Shares
“Conversion Price”	the initial conversion price of HK\$1.096 per Conversion Share, which is subject to adjustment(s) pursuant to the terms and conditions of the Convertible Bonds
“Conversion Shares”	the Shares to be allotted and issued by the Company upon the exercise of the conversion right attaching to the Convertible Bonds
“Convertible Bonds”	convertible bonds in the total principal amount of US\$54.0 million to be issued by the Company to the Vendors pursuant to the terms and conditions of the Sale and Purchase Agreement
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and to approve the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds to the Vendors and the allotment and issue of the Conversion Shares upon the exercise of conversion rights attaching to the Convertible Bonds, and other ancillary matters as may be required under the Listing Rules
“First Convertible Bonds”	convertible bonds in the principal amount of US\$3,000,000 due 2018 issued by the Company and subscribed by Ablaze Rich pursuant to the terms and conditions of the subscription agreement dated 5 July 2013 and entered into between the Company and Ablaze Rich
“Great Harvest Landmark”	Great Harvest Landmark Investment Company Limited, a company incorporated in the BVI with limited liability, being a direct wholly-owned subsidiary of the Target Company as at the date of this announcement
“Great Harvest Realty”	Great Harvest Realty Investment Company Limited, a company incorporated in Hong Kong with limited liability, being an indirect wholly-owned subsidiary of the Target Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors (namely, Mr. Cheung Kwan Hung, Dr. Chan Chung Bun, Bunny and Mr. Wai Kwok Hung) established for the purpose of advising the Independent Shareholders in respect of, among other things, the Acquisition

“Independent Shareholders”	Shareholders other than Mr. Yan, Ms. Lam and Mr. Yin Hai and their respective associates and persons who have a material interest in the Acquisition and are required to abstain from voting on the resolution(s) for approving the Acquisition at the EGM under the Listing Rules
“Land”	two parcels of land located at Meidian Slope, Hongqi Town, Qionshan District, Haikou, Hainan Province, the PRC (中國海南省海口市瓊山區紅旗鎮美典坡)
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 March 2016, or such later date as the Company and the Vendors may agree
“Mr. Yan”	Mr. Yan Kim Po (殷劍波先生), the chairman of the Board, an executive Director, a controlling shareholder of the Company, the spouse of Ms. Lam and one of the Vendors
“Mr. Yin Hai”	Mr. Yin Hai (殷海先生), the younger brother of Mr. Yan and one of the Vendors
“Mrs. Yin	Ms. She Li Qun (司立群女士), spouse of Mr. Yin Hai
“Ms. Lam”	Ms. Lam Kwan (林群女士), the chief executive officer of the Company, an executive Director, a controlling shareholder of the Company, the spouse of Mr. Yan and one of the Vendors
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company”	海南華儲實業有限公司 (for identification only, Hainan Huachu Industrial Co., Ltd.), a company established in the PRC with limited liability, being an indirect non-wholly owned subsidiary of the Target Company as at the date of this announcement
“Restricted Holder”	a Bondholder who is a resident or national of any jurisdiction other than Hong Kong under the laws and regulations of which an exercise of conversion rights attaching to the Convertible Bonds by such Bondholder or the performance by the Company of the obligations expressed to be assumed by it under the Convertible Bonds or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction
“Sale and Purchase Agreement”	the agreement dated 23 December 2015 entered into between the Company and the Vendors in relation to, among other matters, the Acquisition

“Sale Shares”	such number of shares in the Target Company representing the entire issued and paid up share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Top Build Group Ltd., a company incorporated in the BVI with limited liability, the entire issued share capital of which is owned as to 40.8% by Mr. Yan, 39.2% by Ms. Lam and 20% by Mr. Yin Hai as at the date of announcement
“Target Group”	the Target Company and its subsidiaries
“Vendors”	collectively, Mr. Yan, Ms. Lam and Mr. Yin Hai
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$” and and “US cents”	United States dollars and cents, respectively, the lawful currency of the United States of America
“dwt”	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including cargoes, bunker, fresh water, crew and provisions
“km”	Kilometers
“sq.m”	square metre
“%”	per cent.

For and on behalf of the Board
Great Harvest Maeta Group Holdings Limited
Yan Kim Po
Chairman

Hong Kong, 23 December 2015

As at the date of this announcement, the executive Directors are Mr. Yan Kim Po, Ms. Lam Kwan and Mr. Cao Jiancheng; and the independent non-executive Directors are Mr. Cheung Kwan Hung, Dr. Chan Chung Bun, Bunny and Mr. Wai Kwok Hung.

For ease of reference and unless otherwise specified in this announcement, sum in US\$ and RMB is translated at the rate of US\$1.0 = RMB6.4788 and sum in US\$ and HK\$ is translated at the rate of US\$1.0 = HK\$7.75. This does not mean that any of the above mentioned currency has been, could have been or may be converted at such exchange rates.

In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.