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JOY TOWN INC.

(Incorporated in the British Virgin Islands with limited liability)

Heng Fai Enterprises Limited

恒輝企業控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 185)

JOINT ANNOUNCEMENT

(1) COMPLETION OF SHARE SALE

AND

**(2) UNCONDITIONAL MANDATORY CASH OFFER BY
ALLIANCE CAPITAL PARTNERS LIMITED
FOR AND ON BEHALF OF JOY TOWN INC.
TO ACQUIRE ALL THE ISSUED SHARES OF
HENG FAI ENTERPRISES LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED
TO BE ACQUIRED BY JOY TOWN INC. AND PARTIES ACTING IN
CONCERT WITH IT)**

Financial Advisor to Joy Town Inc.



Alliance Capital Partners Limited
同人融資有限公司

The Board has been informed, and the Offeror is pleased to announce that the Share Sale Completion took place on 29 June 2015 in accordance with the terms thereof. Immediately after the Share Sale Completion, the Offeror and the parties acting in concert with it are interested in 2,212,547,776 Shares, representing approximately 54.88% of the entire issued share capital of the Company. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, Alliance Capital will, on behalf of the Offeror, make the Share Offer for all the issued Shares which are not owned or have been agreed to be acquired by the Offeror and parties acting in concert with it. The Composite Document will be despatched to the Shareholders on or before 2 July 2015 in accordance with the Takeovers Code.

Reference is made to (i) the joint announcement issued by the Company and the Offeror, dated 6 May 2015 in relation to, amongst other things, the Share Purchase Agreement and the Share Offer (the “Announcement”); (ii) the delay in despatch of composite document announcement jointly issued by the Company and the Offeror, dated 26 May 2015; and (iii) the voluntary announcement issued jointly by the Company and the Offeror on the fulfilment or otherwise waive of the conditions precedent in the Share Purchase Agreement, dated 24 June 2015. Unless otherwise stated, capitalised terms used herein have the same meanings as those defined in the Announcement.

SHARE SALE COMPLETION

The Share Sale Completion took place on 29 June 2015. Pursuant to the terms of the Share Purchase Agreement, a total of 2,212,547,776 Sale Shares were transferred by the Vendors to the Offeror at an aggregate consideration of HK\$731,247,040 (representing HK\$0.3305 per Sale Share).

Set out below is a table showing the shareholding structure of the Company (i) immediately prior to Share Sale Completion, and (ii) as at the date of this announcement, following the Share Sale Completion and before the commencement of the Share Offer:

	Immediately prior to Share Sale Completion		As at the date of this announcement, following the Share Sale Completion and before the commencement of the Share Offer	
	No. of shares	approx. %	No. of shares	approx. %
The Offeror and its concerted parties	–	0.00%	2,212,547,776	54.88%
Mr. Chan Heng Fai (Guarantor)	71,042,730	1.76%	71,042,730	1.76%
First Vendor (<i>Note 1</i>)	1,638,071,385	40.63%	180,677,436	4.48%
Second Vendor (<i>Note 2</i>)	651,243,201	16.15%	–	0.00%
Third Vendor	253,910,626	6.30%	150,000,000	3.72%
Chan Tong Wan	35,027,873	0.87%	35,027,873	0.87%
Chan Sook Jin	13,650,674	0.34%	7,400,674	0.18%
Chan Tung Moe	23,290,300	0.58%	23,290,300	0.58%
Fong Kwok Jen (<i>Note 3</i>)	23,324,523	0.58%	23,324,523	0.58%
Wong Dor Luk	308,000	0.01%	308,000	0.01%
Public	1,321,550,657	32.78%	1,327,800,657	32.94%
Total	4,031,419,969	100.00%	4,031,419,969	100.00%

Notes:

- The First Vendor is a company incorporated in the Commonwealth of The Bahamas with limited liability, which are ultimately owned by a discretionary trust established by Mr. Chan Heng Fai, an executive Director, as settlor. Mr. Chan Heng Fai is deemed to be interested in all the Shares in which the First Vendor is interested by virtue of the SFO. Mr. Chan Heng Fai is the sole director of the First Vendor. Mr. Chan Heng Fai is the spouse of Ms. Chan Yoke Keow.

2. The Second Vendor is a company incorporated in the British Virgin Islands with limited liability, which are ultimately owned by a discretionary trust established by Ms. Chan Yoke Keow, an executive Director, as settlor. Ms. Chan Yoke Keow is deemed to be interested in all the Shares in which the Second Vendor is interested by virtue of the SFO. Ms. Chan Yoke Keow is the sole director of the Second Vendor. Ms. Chan Yoke Keow is the spouse of Mr. Chan Heng Fai.
3. Mr. Fong Kowk Jen, an non-executive Director of the Company, was the holder of 10,197,080 Options convertible into ordinary Shares at a conversion price of HK\$0.1128 per Share. Following the exercise of all of the options on 12 June 2015. Mr. Fong currently holds 23,324,523 Shares.

Immediately upon the Share Sale Completion, the Offeror became interested in 2,212,547,776 Shares, representing approximately 54.88% of the total number of Shares then in issue. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Alliance Capital will, on behalf of the Offeror and pursuant to Rule 26.1 of the Takeovers Code, make the Share Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) at HK\$0.3305 for each Offer Share.

The Offeror group (i.e. the Offeror's shareholder and its affiliated companies) will finance the Share Offer for the Offeror and the purchase price of the Sale Shares under the Share Purchase Agreement with their self-owned funds and the Facility. Alliance Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the acquisition of Shares under the Share Purchase Agreement and full acceptance of the Share Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document, together with the accompanying Form of Acceptance and Transfer will be despatched to the Independent Shareholders within seven days from the Share Sale Completion but no later than 2 July 2015. Details of the procedures for the acceptance of the Share Offer will be set out in the Composite Document. Further announcements will be made after the Composite Document has been despatched.

By Order of the Sole Director
JOY TOWN INC.
Huang Yanping
Director

By Order of the Board
HENG FAI ENTERPRISE LIMITED
Chan Tong Wan
Managing Director

Hong Kong, 29 June 2015

As at the date of this joint announcement, the sole director of the Offeror is Ms. Huang Yanping, who solely accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the executive Directors are Mr. Chan Heng Fai, Mr. Chan Tong Wan, Ms. Chan Yoke Keow; the non-executive Directors are Dr. Lam, Lee G. and Mr. Fong Kwok Jen and the independent non-executive Directors are Mr. Wong Tat Keung, Mr. Wong Dor Luk, Peter and Mr. Chan King Fai.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement relating to the Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.