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FORTIS HOLDINGS LIMITED
（中建富通集團有限公司）

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 00138)

(1) MAJOR AND CONNECTED TRANSACTIONS

AND

(2) CONTINUING CONNECTED TRANSACTIONS

THE AGREEMENT AND THE TRANSACTIONS

On 27 January 2016 (after trading hours of the Stock Exchange), the Agreement was entered into between Mr. Mak (as the vendor) and the Company (as the purchaser) pursuant to which Mr. Mak has agreed to sell the Total Sale Shares to the Company or its designated nominee(s) at a total consideration of HK$250,200,000 to be satisfied by the issue of the Convertible Bonds of principal amount of HK$250,200,000 and Mr. Mak has also agreed to sell and assign the Total Shareholder's Loans to the Company or its designated nominee(s) at the Cash Consideration. The Total Sale Shares comprise the First Sale Shares and the Second Sale Shares, which represent 100% of the existing issued share capital of the First Target Company and the Second Target Company, respectively, as at the date of this announcement. The First Target Company holds 100% of the existing issued share capital of the First Target Subsidiary, which owns the First Property and the Second Target Company holds 100% of the existing issued share capital of the Second Target Subsidiary, which owns the Second Property.

After Completion, the First Target Subsidiary and the Second Target Subsidiary will enter into tenancy agreements with Mr. Mak and lease the First Property and the Second Property, respectively to Mr. Mak, each for a term commencing from the Completion Date to 31 December 2017. The proposed monthly rental is HK$270,000 and HK$260,000 (inclusive of management fee, government rent and rates) for lease of the First Property and the Second Property, respectively. The proposed rental is based on the preliminary market rental as appraised by Grant Sherman. The Cap Amounts of the Continuing Connected Transactions for the two years ended 31 December 2016 and 2017 are HK$6,000,000 and HK$7,000,000 respectively.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transactions are more than 25% but less than 100%, the Transactions constitute a major transaction for the Company under the Listing Rules.

As at the date of this announcement, Mr. Mak is a Director and the controlling shareholder of the Company and he owns personally and indirectly through private companies a total of 456,098,731 Shares, representing approximately 54.79% of the existing issued share capital of the Company. Mr. Mak is therefore a connected person of the Company under the Listing Rules. The Transactions constitute a major transaction and a non-exempt connected transaction for the Company under the Listing Rules. The Transactions will be subject to the approval of the Independent Shareholders at the SGM. Mr. Mak and his associates will abstain from voting in respect of the resolution(s) to approve the Transactions at the SGM.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the lease of the First Property and the Second Property contemplated under the Proposed Tenancy Agreements on an annual basis are more than 0.1% but less than 5% and the annual rental is more than HK$3,000,000, the Continuing Connected Transactions and the Cap Amounts are subject to the announcement, annual reporting and annual review requirements as set out in Chapter 14A of the Listing Rules and are exempted from the circular and the Independent Shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

GENERAL

An Independent Board Committee consisting of Mr. Tam King Ching, Kenny, Mr. Chow Siu Ngor and Mr. Chen Li, who are independent non-executive directors of the Company and who have no material interest in the Transactions, has been formed to advise the Independent Shareholders as to whether or not the terms of the Agreement and the Transactions are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. An independent financial adviser of the Company will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular of the Company containing, among others, (i) details of the Agreement and the Transactions; (ii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Transactions; (iv) valuation report of the Properties; and (v) a notice convening the SGM and a form of proxy will be despatched to the Shareholders on or before 29 February 2016 as more time is required to prepare the relevant financial and other information to be included in the circular under the Listing Rules.

CAUTION

As Completion is subject to the fulfillment of a number of conditions precedent, the Transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution in dealing in the Shares.

THE AGREEMENT AND THE TRANSACTIONS

The Agreement

The sale and purchase agreement dated 27 January 2016 (after trading hours of the Stock Exchange) was entered into between the following parties in relation to the sale and purchase of the following assets:

Vendor: Mr. Mak Shiu Tong, Clement

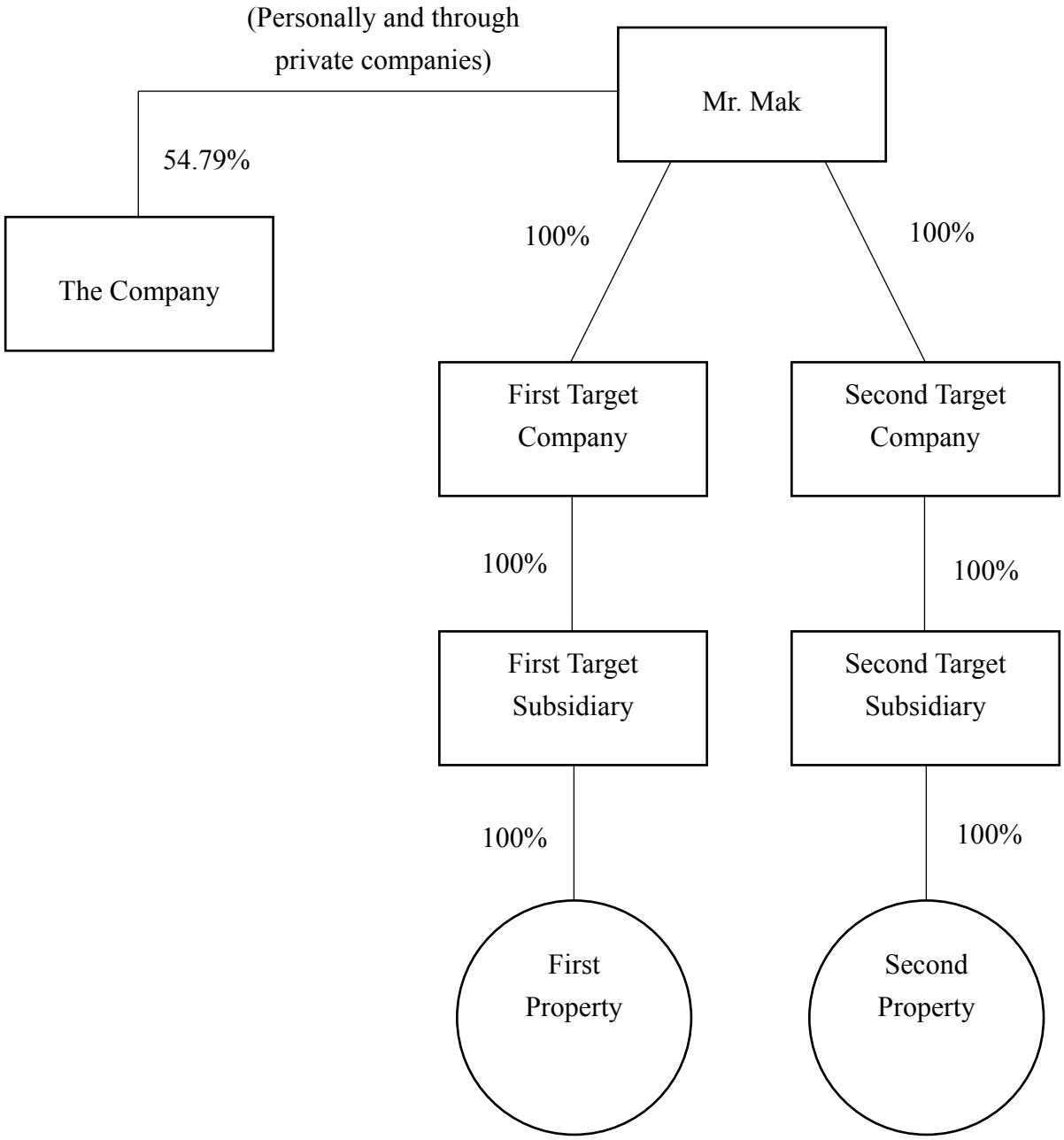
Purchaser: the Company or its designated nominee(s)

Assets to be acquired: As at the date of this announcement, Mr. Mak as legal and beneficial owner of the Total Sale Shares, have agreed to sell and transfer the Total Sale Shares to the Company or its designated nominee(s) at the Share Consideration of HK$250,200,000. Also, Mr. Mak has agreed to sell and assign the Total Shareholder's Loans to the Company or its designated nominee(s) at the Cash Consideration of approximately HK$25,661,721 (based on the book value of the Total Shareholder's Loans as at 31 December 2015). The Total Sale Shares comprise the First Sale Shares and the Second Sale Shares, which represent 100% of the existing issued share capital of the First Target Company and the Second Target Company, respectively. As at the date of this announcement, the First Target Company holds 100% of the existing issued share capital of the First Target Subsidiary, which in turn owns the First Property and the Second Target Company holds 100% of the existing issued share capital of the Second Target Subsidiary, which in turn owns the Second Property. The Total Shareholder's Loans comprise the First Shareholder's Loan and the Second Shareholder's Loan, which is due by the First Target Subsidiary and the Second Target Subsidiary, respectively to Mr. Mak.

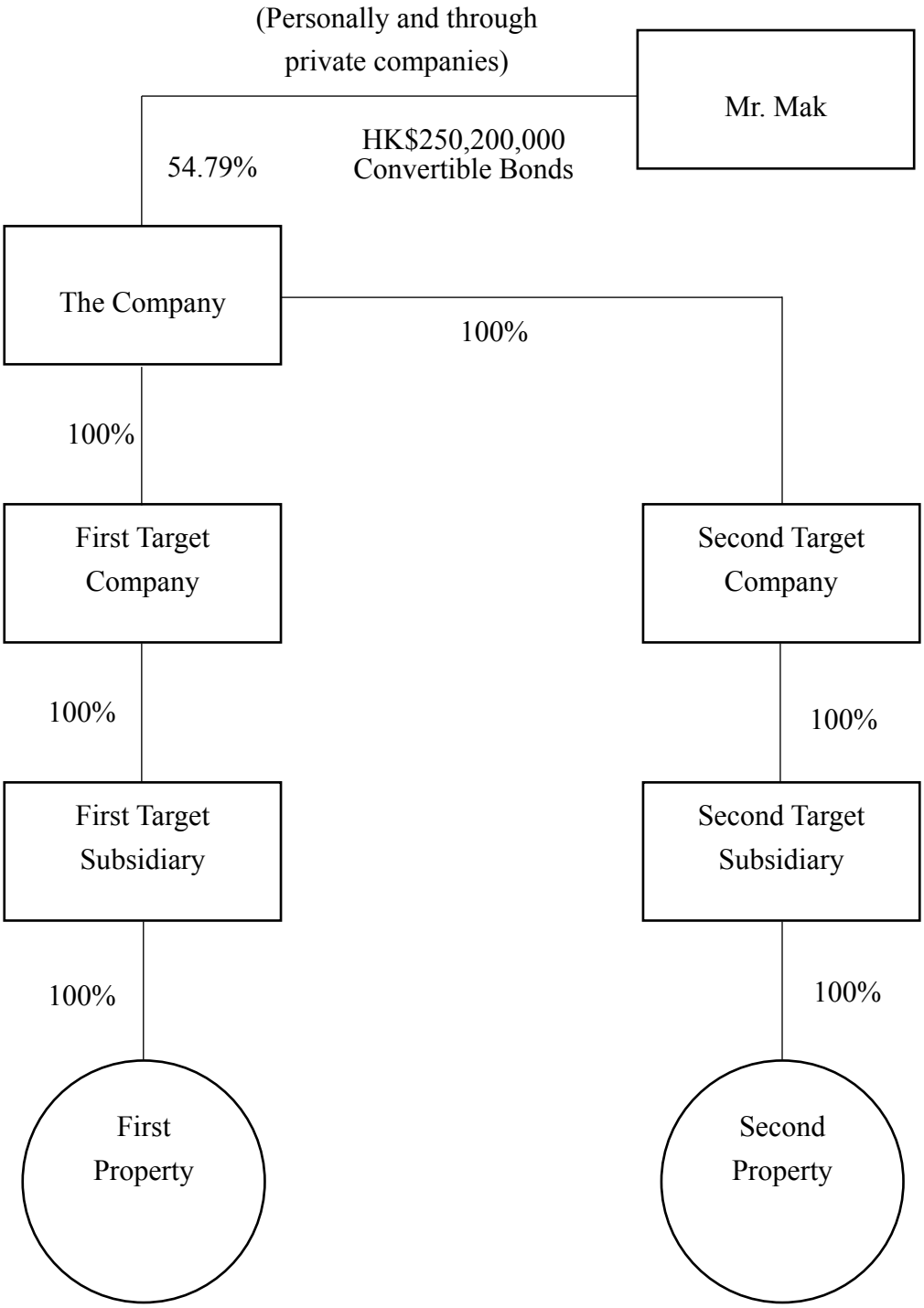
As at the date of this announcement, Mr. Mak is a Director and the controlling shareholder of the Company and he owns personally and indirectly through corporations a total of 456,098,731 Shares, representing approximately 54.79% of the existing issued share capital of the Company. Mr. Mak is therefore a connected person of the Company under the Listing Rules.

The following diagrams illustrate a simplified corporate and shareholding structure of the Company and the Target Groups before and immediately after completion of the Transactions.

As at the date of this announcement and immediately before completion of the Transactions



Immediately after completion of the Transactions



Consideration of the Transactions

The consideration for the purchase of the Total Sale Shares will be HK$250,200,000 (the "**Share Consideration**"), which will be satisfied by the Company by issue of the Convertible Bonds of total principal amount of HK$250,200,000, credited as fully paid upon issue.

The Total Shareholder's Loans will be assigned to the Company or its designated nominee(s) at its book value, on a dollar-to-dollar basis at Completion. The estimated consideration of the purchase and assignment of the Total Shareholder's Loans will be approximately HK$25,661,721 (based on the book value of the Total Shareholder's Loans as at 31 December 2015) (the "**Cash Consideration**"), which will be satisfied by the Company in cash at Completion.

The Share Consideration of HK$250,200,000 was determined based on the unaudited adjusted net asset value of the Target Groups, which was arrived at based on the net total of following sums:

(a) the preliminary aggregate market value of the Properties of HK$434,400,000 (which comprises market value of HK$219,600,000 for the First Property and HK$214,800,000 for the Second Property) as at 31 December 2015 as appraised by Grant Sherman;
(b) the unaudited combined net liabilities of the Target Groups of HK$182,517,101 (which comprised unaudited consolidated net liabilities of HK$91,798,632 for the First Target Group and HK$90,718,469 for the Second Target Group) as at 31 December 2015, which represented the unaudited book value of the net liabilities of the Target Groups (including the First Shareholder's Loan of HK$14,063,559 and the Second Shareholder's Loan of HK$11,598,162), after deduction of the unaudited book value of other assets (excluding the book value of the Properties) of the Target Groups as at 31 December 2015; and
(c) a discount of approximately 0.69% to the net amount of (a) and (b) above.

The Company and Mr. Mak have taken into account the following factors in arriving at the Share Consideration:

(i) current luxury residential property market in Hong Kong;
(ii) current financial position of the Target Groups;
(iii) the preliminary valuation of the Properties as at 31 December 2015 as appraised by Grant Sherman;

(iv) potential rental income generation from the Proposed Tenancy Agreements and possible price appreciation of the Properties in the future;
(v) settlement of the Share Consideration by means of the Convertible Bonds which will not involve any immediate cash outlay for the Company; and
(vi) the benefits to be derived by the Group from the Transactions as set out in the paragraph headed "Reasons for and the benefits of the Transactions" of this announcement.

On the basis of the above factors, the Board (including the independent non-executive Directors) considers the Share Consideration to be fair and reasonable to the Company and in the interests of the Company and the Shareholders as a whole.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds are as follows:

Issuer:	The Company
Principal amount:	HK$250,200,000 will be issued as to HK$180,000,000 to Capital Force and as to HK$70,200,000 to New Capital and/or other nominee(s) designated by Mr. Mak
Issue Price	100% of the principal amount of the Convertible Bonds
Issue date:	Completion Date
Interest:	5% per annum, payable monthly on the last day of each month (which must be a Business Day, and if not, the Business Day immediately following)
Maturity Date:	The third anniversary of the date of issue of the Convertible Bonds (which must be a Business Day, and if not, the Business Day immediately following)
Redemption:	Unless previously converted or cancelled under the CB Conditions, all the Convertible Bonds will be redeemed at its then outstanding principal amount, inclusive of accrued interest on the Maturity Date.

The Convertible Bonds may be redeemed, at the option of the Company, in whole or in part, any time before the Maturity Date, on giving not less than three Business Days' notice to the Bondholders.

Status: The obligations of the Company arising under the Convertible Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company, and rank *pari passu and* without any preference among themselves. The payment obligations of the Company under the Convertible Bonds will rank at least equally with all its other present and future unsecured and unsubordinated obligations of the Company.

Conversion Price: HK$0.90 per Conversion Share (subject to adjustments)

Conversion Shares: Based on the initial Conversion Price of HK$0.90 per Conversion Share (subject to adjustments of the Conversion Price pursuant to the CB Conditions), 278,000,000 new Shares may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full. The 278,000,000 Conversion Shares representing (i) approximately 33.40% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 25.04% of the issued capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

Transferability: The Convertible Bonds will be freely transferable and shall be transferable in whole or in any part(s) in multiples of HK$5,000,000, provided that unless with the prior written consent of the Company and in full compliance of the Listing Rules and other requirements of the Stock Exchange, none of the Convertible Bonds may be transferred to a connected person of the Company.

Conversion Period: The period commencing on the date of issue of the Convertible Bonds and expiring on the Maturity Date (the ''**Conversion Period**'').

Bondholder's Conversion Right: The Bondholder has the right on any Business Day during the Conversion Period to convert in whole or in part the outstanding principal amount of the Convertible Bonds in whole or in

integral multiples of HK$5,000,000 into Conversion Shares, subject to and upon compliance with the CB Conditions.

Public float restriction: The Conversion Rights shall not be exercised by the Bondholder, if it comes to the notice of the Company that immediately following such conversion the Company will be unable to meet the public float requirement under the Listing Rules.

Adjustments to Conversion Price: The Conversion Price is subject to adjustments upon the occurrence of the following events:

(i) an alteration to the aggregate number of the Shares in issue as a result of consolidation, subdivision, or reclassification;

(ii) issue (other than in lieu of a cash dividend) of any Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve fund);

(iii) capital distribution (in cash or specie and whether on a reduction of capital or otherwise), including any dividend charged or provided for in the accounts of any financial period (whenever paid and however described) will be deemed to be a capital distribution;

(iv) offer of new Shares to Shareholders for conversion by way of rights, or grant, to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price at the date of the announcement of such offer or grant;

(v) issue of securities wholly for cash or for reduction of liabilities which by their terms are convertible into or exchangeable for or carry rights of conversion for new Shares and the total effective consideration (as defined in the Instrument) per Share initially receivable for such securities is less than 90 per cent. of the market price at the date of the announcement of the terms of issue of such securities; or

(vi) issue of any Shares wholly for cash or for reduction of liabilities at a price per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue;

(vii) issue of any Shares for the acquisition of asset at a total effective consideration (as defined in the Instrument) per Share which is less than 90 per cent. of the market price at the date of the announcement of the terms of such issue; or

(viii) issue of any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares for the acquisition of asset at the total effective consideration (as defined in the Instrument) per Share initially receivable for such securities is less than 90 per cent. of the market price at the date of the announcement of the terms of such issue.

Each adjustment made to the Conversion Price pursuant to the adjustment event(s) would be certified in writing by the Company, auditors of the Company, merchant banks selected and appointed by the Company.

Events of default: After the occurrence of an event of default as specified in the Instrument and the CB Conditions, the Bondholder may give notice to the Company that the Convertible Bonds, on the giving of such notice, are immediately due and payable.

Voting rights: The Bondholder will not be entitled to vote at any meetings of the Company by reason only of it being the holder of the Convertible Bonds.

Listing: The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The initial Conversion Price of the Convertible Bonds of HK$0.90 per Conversion Share (subject to adjustment pursuant to the CB Conditions) represents:

(i) a discount of approximately 2.17% to the closing price of HK$0.920 a Share as quoted on the Stock Exchange on the Last Trading Date;

(ii) a discount of approximately 7.79% to the average closing price of approximately HK$0.976 a Share as quoted on the Stock Exchange for the last five trading days up to including the Last Trading Date;

(iii) a discount of approximately 13.21% to the average closing price of approximately HK$1.037 a Share as quoted on the Stock Exchange for the last 10 trading days up to including the Last Trading Date;

(iv) a discount of approximately 10.89% to the average closing price of approximately HK$1.010 a Share as quoted on the Stock Exchange for the last 30 trading days up to including the Last Trading Date; and

(v) a premium of approximately 0.33% to the average closing price of approximately HK$0.897 a Share as quoted on the Stock Exchange for the last 60 trading days up to including the Last Trading Date.

As (i) the Share Consideration represents a slight discount of 0.69% to the adjusted net assets of the Target Groups attributable to the Total Sale Shares, based on the market value of the Properties; (ii) the Share Consideration will be settled by means of the Convertible Bonds, which if partly or fully exercised will enlarge the capital base of the Company and this settlement method does not require immediate cash outlay of the Company in order to conserve cash of the Company; and (iii) the benefits to be derived by the Group from the Transactions as set out in the section headed "Reasons for and the benefits of the Transactions" of this announcement, the Directors consider that the small discount of the Conversion Price to the current price of the Share is considered to be fair and reasonable.

Conditions Precedent of the Agreement:

Completion is conditional upon the fulfillment or waiver of the following conditions precedent:

(a) the warranties given by Mr. Mak under the Agreement remaining true and accurate and not misleading;

(b) the warranties given by the Company under the Agreement remaining true and accurate and not misleading;

(c) the approval by the Independent Shareholders at the SGM of (i) the acquisition by the Company or its designated nominee(s) of the Total Sale Shares and the Total Shareholder's Loans and the other transactions contemplated under the Agreement; and (ii) the issue of the Convertible Bonds and the specific mandate for the allotment and issue of the Conversion Shares upon exercise of the Conversion Rights attached to the Convertible Bonds, pursuant to the Agreement, having been obtained;

(d) the Listing Committee granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Conversion Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds; and

(e) all necessary consents from third parties (including governmental or official authorities), if any, in connection with the transactions contemplated under the Agreement having been obtained by Mr. Mak and the Company and no statute, regulations or decision which would prohibit, restrict or materially delay the sale and purchase of the Total Sale Shares and the Total Shareholder's Loans having been proposed, enacted or taken by any governmental or official authority.

The Company may in its absolute discretion waive in whole or in part the conditions set out in paragraphs (a) and (e) above at any time by notice in writing to Mr. Mak. In exercising the right of waiver, the Board will act in the interest of the Company and the Independent Shareholders as a whole and will only waive any conditions precedent on minor issues or on issues that will not affect the substance of the Transactions. Mr. Mak may in his absolute discretion waive in whole or in part the conditions in paragraph (b) and (e) above at any time by notice in writing to the Company.

In the event that any of the conditions shall not have been fulfilled or waived on or before 30 April 2016 or such later date as agreed by the parties to the Agreement in writing, the Agreement shall cease to be of any effect save in respect of claims arising out of any antecedent breach of the Agreement.

Completion

Completion of the Transactions is expected to take place at no later than 5:00 p.m. on the Completion Date at the office of the Company (or such other place and/or time as the parties may agree in writing) when all of the conditions have been fulfilled or waived (which shall be fulfilled by no later than the Long Stop Date).

Upon Completion, the members of the Target Groups will become wholly-owned subsidiaries of the Company.

FURTHER INFORMATION ABOUT THE TARGET GROUPS AND THE PROPERTIES

The Target Groups comprise the First Target Group and the Second Target Group. The First Target Group comprises the First Target Company which holds 100% of the existing issued share capital of the First Target Subsidiary, which in turn holds 100% ownership of the First Property. The Second Target Group comprises the Second Target Company which holds 100% of the existing issued share capital of the Second Target Subsidiary, which in turn holds 100% ownership of the Second Property. The Target Groups are principally engaged in property investment and holdings. The major assets of the Target Groups are the Properties, which are the two luxury residential properties at House 38 and House 39 and four car parking spaces on No. 56 Repulse Bay Road, Repulse Bay, Hong Kong. Each of House 38 and House 39 is a duplex house. The gross floor area of House 38 is approximately 4,143 square feet plus a flat roof of approximately 1,172 square feet. The gross floor area of House 39 is approximately 4,053 square feet plus a flat roof of approximately 1,057 square feet. The Properties are located in one of Hong Kong's most prestigious residential areas, on Repulse Bay. Situated on the beach side of the Repulse Bay Road, the Properties possess stunning views of the full sweep of Repulse Bay and the distant horizon across the vast South China Sea. It is one of the most sought after locations in Hong Kong by rich people and the supply of luxury houses in the area is very limited. Furthermore, the Group has already acquired House 36 and House 37 of No. 56 Repulse Bay Road for many years. As House 38 and House 39 are right above House 36 and House 37 and all four Houses, sharing one lift lobby, are attached together to form one whole block of large houses, which is detached and separate from the other blocks in the estate. The whole block comprising the four duplex Houses 36, 37, 38 and 39 has a total gross floor area of approximately 16,392 square feet plus total terrace area for House 36 and House 37 of approximately 3,766 square feet and total flat roof area for House 38 and House 39 of approximately 5,995 square feet with a total of eight car park spaces. The Directors believe that the supply of a block of luxury houses with such a large area is very scarce and the

consolidation of the ownership by the Group of the whole block will enhance the value of all the four houses.

The unaudited consolidated financial information of the Target Groups are summarized as follows:

For the year ended 31 December 2014	**First Target Group HK$ (unaudited)**	**Second Target Group HK$ (unaudited)**	**Combined Total HK$ (unaudited)**
Consolidated Revenue	2	224,745	224,747
Consolidate net loss before and after taxation	(1,113,563)	(1,336,708)	(2,450,271)
Consolidated net liabilities including the net book value of the Properties and the Total Shareholder's Loans	(17,319,535)	(17,372,344)	(34,691,879)
Consolidated net liabilities including the net book value of the Total Shareholder's Loans and other assets but excluding the net book value of the Properties	(90,557,236)	(89,016,365)	(179,573,601)
Net book value of the Properties	73,237,701	71,644,021	144,881,722
Other assets	224,454	1,244,390	1,468,844

For the year ended 31 December 2015	**First Target Group HK$ (unaudited)**	**Second Target Group HK$ (unaudited)**	**Combined Total HK$ (unaudited)**
Consolidated Revenue	199,980	120	200,100
Consolidated net loss before and after taxation	(1,241,396)	(1,702,104)	(2,943,500)
Consolidated net liabilities including the net book value of the Properties and the Total Shareholder's Loans	(18,560,932)	(19,074,448)	(37,635,380)
Consolidated net liabilities including the net book value of the Total Shareholder's Loans and the other assets but excluding the net book value of the Properties	(91,798,632)	(90,718,469)	(182,517,101)
Net book value of the Properties	73,237,701	71,644,021	144,881,722
Other assets	168,830	119,354	288,184
Preliminary valuation of the Properties appraised by Grant Sherman	219,600,000	214,800,000	434,400,000

The First Property was acquired by the First Target Subsidiary in December 2004 for HK$70,480,000 and the Second Property was acquired by the Second Target Subsidiary in July 2005 for HK$68,950,000.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is the holding company of the Group which is principally engaged:

(i) property development and property trading in Hong Kong;
(ii) property investment and holding;
(iii) manufacture and sale of plastic components;
(iv) the securities business;
(v) trading and sale of classic cars;
(vi) investment in classic cars;
(vii) automotive service business; and
(viii) cultural media business.

SHAREHOLDIGN STRUCTURE

Assuming no new Share will be issued from the date of this announcement, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion and full conversion of the Convertible Bonds at the initial Conversion Price of HK$0.90 per Conversion Share will be as follows:

	As at the date of this announcement		**Immediately after Completion and full conversion of the Convertible Bonds at the initial Conversion Price of HK$0.90 per Conversion Share**	
Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Capital Force	96,868,792	11.64	296,868,792	26.73
New Capital	171,357,615	20.59	249,357,615	22.46
Capital Winner	177,798,672	21.35	177,798,672	16.01
Mak Shiu Tong - Mr. Mak	10,073,652	1.21	10,073,652	0.91
Sub-total for Mr. Mak	**456,098,731**	**54.79**	**734,098,731**	**66.11**
Other Directors:				
Tam Ngai Hung, Terry	500,000	0.06	500,000	0.05
William Donald Putt	591,500	0.07	591,500	0.05
Sub-total for other Directors	**1,091,500**	**0.13**	**1,091,500**	**0.10**
Total non-public shareholders	**457,190,231**	**54.92**	**735,190,231**	**66.21**
Public Shareholders	**375,204,676**	**45.08**	**375,204,676**	**33.79**
Total	**832,394,907**	**100.00**	**1,110,394,907**	**100.00**

Application will be made to the Stock Exchange for the listing of, and the permission to deal in the Conversion Shares.

REASONS FOR AND THE BENEFITS OF THE TRANSACTIONS

The Group has been engaged in investment of properties and its investment properties portfolio currently consists of luxury residential properties, office, and retail properties. This business segment has been performing well and has contributed significant earnings and fair value gains on revaluation of properties in the past years. The Directors believe that the luxury residential market will continue to outperform other sectors of the property markets in Hong Kong because of the scarcity of supply. The opportunity to acquire House 38 and House 39 will enable the Group to combine with its already owned House 36 and House 37 into a separate block of luxury residential complex of supreme quality and large space. The Directors believe that it is very difficult to find houses of such a large size, especially in prestigious area, like Repulse Bay. The Directors consider that the value of whole block of four houses combined together will be enhanced from the separate value of individual house added together. Furthermore, the Properties will be let to Mr. Mak at market rental and this will generate rental income to Group immediately after Completion. This will save time and costs for the Group to find good and responsible tenants to lease the Properties. The Transactions will enable the Group to increase its investment in luxury residential market, which is expected to outperform other sectors of the property market. As the Share Consideration will be settled by way of the Convertible Bonds, which will not require immediate cash outlay of the Group and will therefore conserve the cash resources of the Group. If the Convertible Bonds are converted into Conversion Shares, the Conversion Shares will expand the capital of the Company and further improve the financial position of the Group.

In light of the benefits above, the Directors believe that the terms of the Agreement are fair and reasonable, and in the interests of Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

House 38 and House 39 are currently used by Mr. Mak for residence, free of rental. After Completion, the Company intends that the First Target Subsidiary and the Second Target Subsidiary will enter into tenancy agreements (the "**Proposed Tenancy Agreements**") with Mr. Mak to lease the First Property and the Second Property, respectively to Mr. Mak for residential use, each for a term commencing from the Completion Date to 31 December 2017. The proposed monthly rental for the First Property and the Second Property is

HK$270,000 and HK$260,000 (inclusive of management fee and government rents and rates), respectively. The proposed rental is based on the preliminary market rental as appraised by Grant Sherman. As Mr. Mak is a connected person of the Company, the Proposed Tenancy Agreements will constitute a continuing connected transaction for the Company under the Listing Rules.

It is estimated that the rental income receivable by the Group under the Proposed Tenancy Agreements will not exceed the following amounts (the "**Cap Amounts**"):

Year ended 31 December	
2016*	2017
HK$6,000,000	HK$7,000,000

(*from the expected Completion Date to 31 December 2016)

As the monthly rental of HK$270,000 and HK$260,000 is determined based on market rental appraised by the independent valuer, Grant Sherman, the Directors (including the independent non-executive Directors) believe that the terms of the Proposed Tenancy Agreements are on commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

LISTING RULES IMPLICATONS

Major and Connected Transactions for the Company

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transactions are more than 25% but less than 100%, the Transactions constitute a major transaction for the Company under the Listing Rules.

As at the date of this announcement, Mr. Mak is a Director and the controlling shareholder of the Company and he owns personally and indirectly through private companies a total of 456,098,731 Shares, representing approximately 54.79% of the existing issued share capital of the Company. Mr. Mak is therefore a connected person of the Company under the Listing Rules. The Transactions therefore constitute a major transaction and a non-exempt connected transaction for the Company under the Listing Rules. The Transactions will be subject to the approval of the Independent Shareholders at the SGM. Mr. Mak and his associates will abstain from voting in respect of the resolution(s) to approve the Transactions at the SGM.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the lease of the First Property and the Second Property contemplated under the Proposed Tenancy Agreements on an annual basis are more than 0.1% but less than 5% and the proposed annual rental is more than HK$3,000,000, the Continuing Connected Transactions and the Cap Amounts are subject to the announcement, annual reporting and annual review requirements as set out in Chapter 14A of the Listing Rules and are exempted from the circular and the Independent Shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

GENERAL

As Mr. Mak has a material interest in the Agreement and the Proposed Tenancy Agreements, he has to abstain and he did abstain from voting on the Board resolutions to approve the Agreement and the Transactions and the Proposed Tenancy Agreements, the Continuing Connected Transactions and the Cap Amounts. None of the other Directors (other than Mr. Mak) has any material interest in the Agreement and the Proposed Tenancy Agreements and therefore, no other Directors has to abstain from voting on the Board resolutions to approve the Agreement and the Transactions and the Proposed Tenancy Agreements, the Continuing Connected Transactions and the Cap Amounts.

An Independent Board Committee consisting of Mr. Tam King Ching, Kenny, Mr. Chow Siu Ngor and Mr. Chen Li, who are independent non-executive directors of the Company and who have no material interest in the Transactions, has been formed to advise the Independent Shareholders as to whether or not the terms of the Agreement and the Transactions are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. An independent financial adviser of the Company will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular of the Company containing, among others, (i) further details of the Agreement and the Transactions; (ii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Transactions; (iv) a valuation report on the Properties; and (v) a notice convening the SGM and a form of proxy will be despatched to the Shareholders on or before 29 February 2016 as more time is required to prepare the relevant financial and other information to be included in the circular under the Listing Rules.

CAUTION

As Completion is subject to the fulfillment of a number of conditions precedent, the Transactions may or may not proceed. Shareholders and potential investors of the Company should exercise caution in dealing in the Shares.

DEFINITIONS

The following words and phrases used in this announcement shall have the following meanings, unless the context otherwise requires:

"Agreement"	the conditional agreement dated 27 January 2016 entered into between Mr. Mak as the vendor and the Company as the purchaser in respect of the Transactions;
"associate"	has the same meaning as ascribed to it under the Listing Rules;
"Bondholder(s)"	the holder(s) of the Convertible Bonds(s);
"Board"	the board of the Directors;
"Business Day(s)"	A day (other than Saturdays, Sundays and public holidays) on which banks in Hong Kong are open for business;
"Cap Amounts"	the cap amounts for the Continuing Connected Transactions as set out in the section headed "Continuing Connected Transactions" of this announcement;
"Capital Force"	Capital Force International Limited, a company incorporated in the British Virgin Islands, the entire issued capital in which is owned by Mr. Mak beneficially;

"Capital Winner"	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands, the entire issued capital in which is owned by Mr. Mak beneficially;
"Cash Consideration"	has the meaning given to it under the sub-section headed "Consideration of the Transactions" under the section headed "The Agreement and the Transactions" of this announcement;
"CB Certificate"	the certificate of the Convertible Bonds issued to each Bondholder evidencing its holding of the Convertible Bonds;
"CB Conditions"	the terms and conditions of the Convertible Bonds;
"Company"	CCT Fortis Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange;
"Completion"	Completion of the Transactions pursuant to the Agreement;
"Completion Date"	on or before the third Business Day following the date of fulfillment or waiver of the conditions precedent (other than conditions (a) and (b) which will be fulfilled or waived on the Completion Date) to the Agreement;
"connected person"	has the same meaning as ascribed to it under the Listing Rules;
"Continuing Connected Transactions"	the propose lease of the First Property and the Second Property to Mr. Mak under the terms and conditions of the Proposed Tenancy Agreements, which will constitute a continuing connected transaction for the Company under the Listing Rules;
"controlling shareholder"	has the same meaning as ascribed to it under the Listing Rules;

"Conversion Price"	the price at which the Conversion Shares will be issued upon exercise of the Conversion Rights and initially be HK$0.90 per Conversion Share (subject to adjustments pursuant to the Instrument and the CB Conditions);
"Conversion Rights"	the rights attached to the Convertible Bonds to convert the principal amount thereof into the Conversion Shares;
"Conversion Share(s)"	the Shares falling to be allotted and issued by the Company upon exercise by the Bondholder of the Conversion Rights, pursuant to the terms of CB Conditions;
"Convertible Bonds"	The 5% coupon Convertible Bonds of principal amount of HK$250,200,000 to be created by the Instrument and to be issued by the Company to satisfy the Share Consideration and for the time being outstanding or, as the context may require, any part of the principal amount;
"Director(s)"	the director(s) (including the independent non-executive directors) of the Company;
"First Shareholder's Loan"	The outstanding interest-free loan due from the First Target Subsidiary to Mr. Mak as at the Completion Date, which amounted to HK$14,063,559 as at 31 December 2015;
"First Property"	House 38 and car park space P14 and P15, No. 56 Repulse Bay Road, Repulse Bay, Hong Kong, which is owned by the First Target Subsidiary;
"First Sale Shares"	9,997 shares in the capital of the First Target Company, which have been issued and fully paid and represent 100% of the existing issued share capital of the First Target Company;
"First Target Company"	Capital Top Industrial Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued capital of which is held by Mr. Mak as at the date of this announcement;

"First Target Group"	the First Target Company and the First Target Subsidiary;
"First Target Subsidiary"	Billion Industries Limited, a company incorporated in Hong Kong, the entire issued capital of which is owned by the First Target Company;
"Grant Sherman"	Grant Sherman Appraisal Limited, an independent professional valuer;
"Group"	the Company and its subsidiaries, from time to time;
"HK$"	Hong Kong dollar(s), 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 consisting Mr. Tam King Ching, Kenny, Mr. Chow Siu Ngor, and Mr. Chen Li, who are independent non-executive directors of the Company not having material interest in the Agreement and the Transactions, formed for the purpose of advising the Independent Shareholders on the Transactions;
"Independent Shareholders"	the Shareholders other than Mr. Mak and his associates;
"Instrument"	the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds, together with the schedules including the forms of the CB Certificate and the CB Conditions and any other document executed in accordance with the instrument;
"Last Trading Date"	26 January, 2016, being the last trading date for the Shares immediately before the date of the Agreement;
"Listing Committee"	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;

"Long Stop Date"	30 April 2016, or such later date as the parties to the Agreement may agree in writing;
"Mr. Mak"	Mr. Mak Shiu Tong, Clement; a Director and the controlling shareholder of the Company;
"New Capital"	New Capital Industrial Limited, a company incorporated in the British Virgin Islands, the entire issued capital in which is owned by Mr. Mak beneficially;
"PRC"	the People's Republic of China, excluding Hong Kong for the purpose of this announcement;
"Properties"	the First Property and the Second Property;
"Proposed Tenancy Agreements"	the proposed tenancy agreements to be entered between each of the First Target Subsidiary and the Second Target Subsidiary and Mr. Mak in respect of lease of the First Property and the Second Property, respectively to Mr. Mak, the proposed terms of which are set out in the section headed "Continuing Connected Transactions" of this announcement;
"Second Property"	House 39 and car park space P5 and P6, No. 56 Repulse Bay Road, Repulse Bay, Hong Kong, which is owned by the Second Target Subsidiary;
"Second Sale Shares"	9,997 shares in the capital of the Second Target Company, which have been issued and fully paid and represent 100% of the existing issued share capital of the Second Target Company;
"Second Shareholder's Loan"	The outstanding interest-free loan due from the Second Target Subsidiary to Mr. Mak on the Completion Date, which amounted to HK$11,598,162 as at 31 December 2015;

"Second Target Company"	Next Capital Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued capital of which is held by Mr. Mak as at the date of this announcement;
"Second Target Group"	The Second Target Company and the Second Target Subsidiary;
"Second Target Subsidiary"	Grand Capital Development Limited, a company incorporated in Hong Kong, the entire issued capital of which is owned by Second Target Company;
"SGM"	the special general meeting of the Shareholders to be convened to consider and, if thought fit, inter alia, approve the Transactions (including the issue of the Convertible Bonds and special mandate for the issue and allotment of the Conversion Shares upon exercise of the Conversion Rights);
"Share Consideration"	has the meaning given to it under the sub-section headed "Consideration of the Transactions" under the section headed "The Agreement and the Transactions" of this announcement;
"Shareholder(s)"	the holder(s) of the issued Share(s);
"Shares"	the share(s) of HK$0.10 each in the capital of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Groups"	the First Target Group and the Second Target Group;
"Total Sale Shares"	the First Sale Shares and the Second Sale Shares;
"Total Shareholder's Loans"	the First Shareholder's Loan and the Second Shareholder's Loan;

"Transactions"	the proposed acquisition of the Total Sale Shares by the Company or its designated nominee(s) from Mr. Mak and the proposed acquisition of the Total Shareholder's Loans by the Company or its designated nominee(s) from Mr. Mak and any other transaction as contemplated under the Agreement, including the issue of the Convertible Bonds by the Company to satisfy the Share Consideration and the special mandate for the issue and allotment of the Conversion Shares upon exercise of the Conversion Rights; and
"%"	per cent.

By Order of the Board of
CCT FORTIS HOLDINGS LIMITED
Tam Ngai Hung, Terry
Director

Hong Kong, 27 January 2016

As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement, Mr. Tam Ngai Hung, Terry, Ms. Cheng Yuk Ching, Flora and Dr. William Donald Putt and the independent non-executive Directors are Mr. Tam King Ching, Kenny, Mr. Chow Siu Ngor and Mr. Chen Li.