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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)

ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

ISSUE OF CONVERTIBLE BONDS

On 30 May 2016 (after trading hours), the Company entered into the conditional Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with an aggregate principal amount of HK$100,000,000.

On the assumption that the Convertible Bonds would be converted into Conversion Shares in full at the initial First Year Conversion Price of HK$1.1 (subject to adjustments pursuant to the Instrument and the CB Conditions), the 90,909,090 Conversion Shares will be issued, which represent approximately 10.92% of the existing total number of issued shares of the Company and approximately 9.85% of the total number of issued shares of the Company as to be enlarged by the allotment and issue of the Conversion Shares.

CAUTION

As the Subscription Agreement is subject to Condition Precedent which may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE SUBSCRIPTION AGREEMENT AND THE SUBSCRIPTION

On 30 May 2016 (after trading hours), the Company entered into the conditional Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to issue the Convertible Bonds with an aggregate principal amount of HK$100,000,000.

Date: 30 May 2016 (after trading hours)

Parties: (i) The Company as issuer

(ii) The Subscriber as subscriber

The Subscriber

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Issue Price

The issue price payable by the Subscriber under the Subscription Agreement for the Convertible Bonds will be HK$100,000,000, which is 100% of the aggregate principal amount of the Convertible Bonds. The Issue Price will be payable in cash by the Subscriber within seven days after the date of the Subscription Agreement.

Principal terms of the Convertible Bonds

The principal terms of the Convertible Bonds are as follows:

Issuer:	The Company.
Principal amount:	HK$100,000,000 in aggregate.
Issue Price	100% of the principal amount of the Convertible Bonds.
Issue date:	The Completion Date.
Interest:	1.5% per annum on the outstanding principal amount of the Convertible Bonds, which will be payable in arrears on 30 June and 31 December of each year after the date of issue of the Convertible Bonds and on the Maturity Date. The first interest payment date will be 31 December 2016. The interest payment date must be a Business Day, and if not, the Business Day immediately following).

Maturity Date:	The second 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 Instrument and 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 Period:	The period commencing on the date of issue of the Convertible Bonds and expiring on the date which falls on the third Business Day immediately prior to the Maturity Date (the "**Conversion Period**").
Conversion Price:	The initial Conversion Price for the Convertible Bonds shall be equal to: (a) HK$1.1 per Conversion Share during the period from the Issue Date to the date immediately prior to the first anniversary of the Issue Date (the "**First Year Conversion Price**"), subject to adjustments in accordance with the Instrument and the CB Conditions; and

(b) HK$1.2 per Conversion Share during the period from the date falling on the first anniversary of the Issue Date to the date falling on the third Business Days immediately prior to the Maturity Date (the "**Second Year Conversion Price**"), subject to adjustments in accordance with the Instrument and the CB Conditions.

Bondholder's Conversion Right: Provided that the public float of the Shares will not be less than 25% (or any given percentage required by the Stock Exchange) of the issued Shares at any one time in compliance with the Listing Rules, 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 Instrument and CB Conditions.

Conversion Shares: Assuming all the Convertible Bonds would be converted at the initial First Year Conversion Price of HK$1.1 per Conversion Share, a maximum of 90,909,090 new Shares (subject to adjustments of the First Year Conversion Price pursuant to the Instrument and the CB Conditions) may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full. The 90,909,090 Conversion Shares representing (i) approximately 10.92% of the existing total number of issued shares of the Company as at the date of this announcement; and (ii) approximately 9.85% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Conversion Shares.

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) distribution of assets in specie (whether on a reduction of capital or otherwise) (excluding cash dividend);

(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 85% 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 85% of the market price at the date of the announcement of the terms of issue of such securities;

(vi) issue of any Shares wholly for cash or for reduction of liabilities at a price per Share which is less than 85% 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 85% 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 85% of the market price at the date of the announcement of the terms of such issue.

Transferability: The Convertible Bonds may be assigned or transferred to the transferee subject to prior notification to the Company and will 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, none of the Convertible Bonds may be transferred to a connected person of the Company.

Events of default After the occurrence of an event of default as specified in the Instrument, 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 Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The Conversion Shares will rank pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Conversion Shares.

Conversion Price per Conversion Share

The initial First Year Conversion Price of HK$1.1 per Conversion Share (subject to adjustments pursuant to the Instrument and the CB Conditions) represents:

(i) a premium of approximately 10% over the closing price of HK$1.00 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(ii) a premium of approximately 12.7% over the average of the closing prices of HK$0.976 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day.

The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account of, among others, the recent trading prices of the Shares on the Stock Exchange and the market conditions.

Mandate to issue the Conversion Shares

Based on the initial First Year Conversion Price of HK$1.1 per Conversion Share, a maximum of 90,909,090 new Shares (subject to adjustments of the First Year Conversion Price pursuant to the Instrument and the CB Conditions) may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full. The 90,909,090 Conversion Shares representing (i) approximately 10.92% of the existing total number of issued shares of the Company as at the date of this announcement; and (ii) approximately 9.85% of the total number of issued shares of the Company as enlarged by the allotment and issue of the Conversion Shares.

The Conversion Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by the Shareholders at the Company's annual general meeting held on 23 May 2016 to issue, allot and deal with not more than 166,478,981 Shares. Immediately before the date of the Subscription Agreement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Conversion Shares is not subject to any further approval of the Shareholders.

Condition Precedent of the Subscription

Completion of the Subscription Agreement is conditional upon listing of and permission to deal in the Conversion Shares being granted by the Listing Committee of the Stock Exchange (the "**Condition Precedent**").

In the event that the Condition Precedent of the Subscription is not fulfilled on or before 17 June 2016 or other date as may be agreed between the parties to the Subscription Agreement in writing, the Subscription Agreement shall terminate and neither the Company nor the Subscriber shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breaches of the Subscription Agreement. If the Issue Price has been paid by the Subscriber to the Company prior to Completion, the Company will repay the Issue Price received to the Subscriber within two Business Days from the date of termination.

Completion of the Subscription

Completion of the Subscription will take place on or before the third business days after the Condition Precedent is fulfilled (or such other date as may be agreed between the parties).

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares. No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

REASONS FOR THE SUBSCRIPTION AGREEMENT

The Directors consider that the Subscription would allow the Company to raise additional funds for the expansion of the Group's business and general working capital. Furthermore, upon conversion of the Convertible Bonds, it is contemplated that the capital base of the Company would be enlarged and strengthened, which will further improve the financial position of the Group.

If the Subscription proceed to completion, the proceeds from the Subscription will be approximately HK$100,000,000. The Company intends to apply the proceeds from the Subscription as to approximately 50% for expansion and appropriate acquisition and investment opportunity in relation to the Group's automotive business and cultural entertainment business, as to approximately 20% for the working capital of the automotive business and cultural entertainment business and the balance of approximately 30% for general working capital for the Group.

The Directors (including the independent non-executive Directors) consider that the Subscription Agreement (including the Issue Price, the Instrument and the CB Conditions and the Conversion Price) are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, Mr. Lee Hung Shing, a director and a close associate of the Subscriber held 40,000,000 existing issued Shares of the Company, representing approximately 4.81% of the existing total number of issued Shares of the Company.

Assuming that all the Convertible Bonds are converted at the initial First Year Conversion Price of HK$1.1 per Conversion Share and no new Shares (other than the Conversion Shares) are allotted and issued after the date of this announcement and up to the date of full conversion of the Convertible Bonds, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after full conversion of the Convertible Bonds at the initial First Year Conversion Price of HK$1.1 per Conversion Share is set out as follows:

	As at the date of this announcement		**Immediately after full conversion of the Convertible Bonds at the initial First Year Conversion Price of HK$1.1**	
Shareholders	*No. of Shares*	*%*	*No. of Shares*	*%*
Capital Force International Limited (*(Note)*	96,868,792	11.64%	96,868,792	10.49%
New Capital Industrial Limited (*Note)*	171,357,615	20.58%	171,357,615	18.56%
Capital Winner Investments Limited (*Note)*	177,798,672	21.36%	177,798,672	19.26%
Mr. Mak	10,073,652	1.21%	10,073,652	1.09%
Sub-total for Mr. Mak and his close associates	456,098,731	54.79%	456,098,731	49.4%
Other Directors:				
Tam Ngai Hung, Terry	500,000	0.06%	500,000	0.06%
William Donald Putt	591,500	0.07%	591,500	0.06%
Sub-total for other directors	1,091,500	0.13%	1,091,500	0.12%
Total non-public shareholders	457,190,231	54.92%	457,190,231	49.52%
The Subscriber and its close associate	40,000,000	4.81%	130,909,090	14.18%
Other Public Shareholders	335,204,676	40.27%	335,204,676	36.30%
TOTAL	832,394,907	100.00%	923,303,997	100.00%

Note: Capital Force International Limited, New Capital Industrial Limited, Capital Winner Investments Limited are corporations wholly-owned by Mr. Mak.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any equity fund raising activities in the past twelve months prior to the date of this announcement.

INFORMATION ON THE SUBSCRIBER AND THE COMPANY

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Subscriber is a company incorporated in Anguilla and is engaged in investment holding business.

The Company is the holding company of the Group, which is principally engaged in (i) property development and trading business in Hong Kong; (ii) property investment and holding; (iii) the securities business; (iv) manufacture and sale of plastic components; (v) trading and sale of classic cars; (vi) investment in classic cars; (vii) automotive service business; and (viii) cultural entertainment business.

CAUTION

As the Subscription Agreement is subject to Condition Precedent which may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"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;
"CB Certificate"	the certificate of the Convertible Bonds issued to each Bondholder evidencing title of registered holding of the Convertible Bonds;
"CB Conditions"	the terms and conditions of the Convertible Bonds;
"close associate"	has the same meaning as ascribed to it under the Listing Rules;

"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 Subscription pursuant to the Subscription Agreement;
"Completion Date"	on or before the third Business Day following the date of fulfillment of the Condition Precedent;
"Condition Precedent"	has the meaning given to it in the sub-section headed "Condition Precedent of the Subscription" under the section headed "The Subscription Agreement and the Subscription" of this announcement;
"connected person"	has the same meaning as ascribed to it under the Listing Rules;
"Conversion Price"	the First Year Conversion Price or the Second Year Conversion Price;
"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 holder of the Conversion Rights, pursuant to the terms of the Instrument and the CB Conditions;
"Convertible Bonds"	the 1.5% coupon Convertible Bonds of aggregate principal amount of HK$100,000,000 to be created by the Instrument and to be issued by the Company to the Subscriber pursuant to the terms and conditions of the Subscription Agreement 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 Year Conversion Price"	has the meaning given to it in paragraph headed "Conversion Price" in the sub-section headed "Principal Terms of the Convertible Bonds" under the section headed "The Subscription Agreement and the Subscription" of this announcement;
"General Mandate"	the mandate granted to the Directors by the Shareholders at the Company's annual general meeting held on 23 May 2016 to allot, issue and otherwise deal with up to 20% of the issued share capital of the Company as at the date of the annual general meeting;
"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;
"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 form of the CB Certificate and the CB Conditions and any other document executed in accordance with the instrument;
"Last Trading Day"	27 May 2016, being the last day on which the Shares were traded on the Stock Exchange immediately prior to the date of the Subscription 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"	17 June 2016, or such later date as the parties to the Subscription Agreement may agree in writing;
"Mr. Mak"	Mr. Mak Shiu Tong, Clement; the chairman, executive Director and controlling shareholder of the Company;
"PRC"	the People's Republic of China, excluding Hong Kong for the purpose of this announcement;
"Second Year Conversion Price"	has the meaning given to it in paragraph headed "Conversion Price" in the sub-section headed "Principal Terms of the Convertible Bonds" under the section headed "The Subscription Agreement and the Subscription" 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;
"Subscriber"	Top Pride Limited, a company incorporated in Anguilla with limited liability;
"Subscription"	the proposed issue of the Convertible Bonds by the Company, to be subscribed by the Subscriber pursuant to the terms and conditions of the Subscription Agreement;
"Subscription Agreement"	the conditional subscription agreement dated 30 May 2016 entered into between Top Pride Limited as the subscriber and the Company as the issuer in respect of the Subscription; and

"%"	per cent.

By Order of the Board of
CCT FORTIS HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

Hong Kong, 30 May 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.