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EXCEL DEVELOPMENT (HOLDINGS) LIMITED
怡益控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1372)

**PROPOSED DECLARATION AND PAYMENT OF SPECIAL CASH DIVIDEND
OUT OF THE SHARE PREMIUM ACCOUNT**

SPECIAL CASH DIVIDEND

The board of directors (the “**Board**”) of Excel Development (Holdings) Limited (the “**Company**”) is pleased to announce that at the Board meeting held on 5 June 2015, the Board has recommended the declaration and payment of a special cash dividend of HK\$0.25 per share in the issued share capital of the Company (the “**Share**”) out of the share premium account of the Company (the “**Share Premium Account**”), of which the amount standing to credit was approximately HK\$95 million as at 30 September 2014 based on the unaudited condensed consolidated financial information of the Company and its subsidiaries (the “**Group**”) as at that date.

As at the date of this announcement, the Company has 200,000,000 Shares in issue. Based on the number of issued Shares as at the date of this announcement, the Special Cash Dividend, if declared and paid, will amount to an aggregate amount of HK\$50,000,000.

CONDITIONS PRECEDENT

The declaration and payment of the Special Cash Dividend out of the Share Premium Account is conditional upon:

- (i) the passing of an ordinary resolution by the Company’s shareholders (the “**Shareholders**”) declaring and approving the payment of the Special Cash Dividend out of the Share Premium Account pursuant to Articles 133 and 134 of the Company’s articles of association; and
- (ii) the directors of the Company being satisfied that there are no reasonable grounds for believing that the Company is, immediately following the date on which the Special Cash Dividend is paid, unable to pay its debt as they fall due in the ordinary course of business.

The conditions set out above cannot be waived and if any of them is not satisfied, the Special Cash Dividend will not be paid.

Further announcement will be made by the Company in relation to the record date and payment date of the Special Cash Dividend in accordance with Rule 13.66 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

REASONS FOR THE SPECIAL CASH DIVIDEND

To reward the Shareholders, the Board considers it appropriate to distribute the Special Cash Dividend in recognition of the Shareholders' support. The Company is a holding company and a significant part of the Group's business is carried out through an operating subsidiary of the Company at which level earnings are retained. As such, the Company may not have sufficient retained earnings to pay the Special Cash Dividend at the holding company level. Having taken into account of the existing cash flow of the Group, the Board considers it appropriate and proposes the Special Cash Dividend be paid out of the Share Premium Account in accordance with the Company's articles of association.

The Board believes that the payment of the Special Cash Dividend will not have any material adverse effect on the financial position of the Group and does not involve any reduction in the authorized or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

EXTRAORDINARY GENERAL MEETING

An extraordinary general meeting (the "EGM") of the Company will be convened to consider and approve, among other things, the declaration and payment of the Special Cash Dividend out of the Share Premium Account. No Shareholder is required to abstain from voting in respect of the ordinary resolution to be proposed at the EGM to approve the declaration and payment of the Special Cash Dividend out of the Share Premium Account.

A circular containing, among other things, further information about the Special Cash Dividend and the notice of the EGM are expected to be despatched to the Shareholders on or before 26 June 2015.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited was suspended with effect from 1:00 p.m. on 5 June 2015 pending the release of a joint announcement made pursuant to the Hong Kong Codes on Takeovers and Mergers and in relation to inside information of the Company and Vantage International (Holdings) Limited.

By Order of the Board
Excel Development (Holdings) Limited
LI Chi Pong
Executive Director and Chief Executive Officer

Hong Kong, 5 June 2015

As at the date of this announcement, the board composition of the Company is as follows:

Executive directors:

Mr. LI Chi Pong
Mr. POON Yan Min

Non-executive director:

Mr. YAU Kwok Fai

Independent Non-executive directors:

Dr. LAW Kwok Sang
Professor Patrick WONG Lung Tak *B.B.S., J.P.*
Ms. MAK Suk Hing