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## **DAN FORM HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 271)**

### **DISPOSAL OF PROPERTIES AT THE REDHILL PENINSULA**

This announcement is made by Dan Form Holdings Company Limited (the “**Company**”) pursuant to the requirement of Rule 13.09(1) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

#### **1. INTRODUCTION**

Reference is made to the announcements of the Company respectively dated 13 March 2012 and 15 March 2012 in respect of the disposal (the “**Disposal**”) by Zeta Estates Limited (“**Zeta**”), a 33.33%-owned entity of the Company and its subsidiaries (the “**Group**”), of the residential properties at the Redhill Peninsula, Tai Tam, Hong Kong (the “**Rental Properties**”).

The Company would like to announce that on 15 May 2012, Zeta executed an engagement letter (the “**Engagement Letter**”) with Jones Lang LaSalle Limited (the “**Property Agent**”) pursuant to which the Zeta has appointed the Property Agent as the sole and head sale agent to assist in the disposal of the Rental Properties.

#### **2. THE ENGAGEMENT LETTER**

A summary of the key terms of the Engagement Letter is set out below:-

**Date:** 15 May 2012

**Parties:** Zeta Estates Limited  
Jones Lang LaSalle Limited

**Term:** The Property Agent’s appointment will commence from the date of the Engagement Letter and will expire upon twelve (12) months from signing of the first agreement for sale and purchase of an unit or until all units of the Rental Properties are sold.

- Sale prices:** The Rental Properties will be sold at the best available prevailing market prices.
- Termination:** Zeta will have the right to terminate the Property Agent's appointment at any time by giving not less than 14 days' written notice without any compensation. The period of appointment may be extended as agreed by both parties.
- Properties for sale:** The properties in some or all of which include 48 houses and 119 apartment units at Redhill Peninsula.
- Agency fee:** The Agent will be entitled to an agent fee calculated based on a certain percentage of the purchase price of the Rental Properties.

### **3. MARKET VALUATION OF THE RENTAL PROPERTIES**

The respective market valuation of the Rental Properties according to the independent valuation report prepared by DTZ as at 31 December 2011, the Board assumes that all of the Rental Properties are disposed of at the above valuation prices, it is estimated that the Group will be entitled to receive an aggregate consideration of approximately HK\$2,000,000,000. However, the Board wishes to emphasize that it is uncertain at this stage as to the number of units of the Rental Properties that would successfully be sold in the market and the associated final sale prices of these Rental Properties. Shareholders of the Company and potential investors are therefore advised to exercise caution when dealing in the shares of the Company.

### **4. REASONS AND BENEFITS OF THE DISPOSAL**

Zeta has been holding the Rental Properties for rental income since 1 March 1994, during which period none of the Rental Properties has been offered for sale. In light of the current market situation and in view of the diminishing rental yield, the Company considers that it would no longer be appropriate for Zeta to retain the Rental Properties for letting and that consideration should be given to the Disposal at the prevailing market prices. The Company further believes that the Disposal will positively strengthen the liquidity of the Group's assets because the Disposal will result in an increase in the proportion of the Group's assets held through subsidiaries to assets held through associated companies, thus enabling the Group to exercise a greater level of control over its own assets.

### **5. IMPLICATIONS UNDER THE LISTING RULES**

The Board confirms that the execution of the Engagement Letter and the transactions contemplated there under do not constitute a transaction under Chapter 14 of the Listing Rules and are therefore not subject to the requirements of Chapter 14 of the Listing Rules.

Save as disclosed above, the Board confirms that at present, it is not aware of any other matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

By order of the Board  
**Dan Form Holdings Company Limited**  
Chen Si Ying Cynthia  
*Company Secretary*

Hong Kong, 15 May 2012

*As at the date hereof, the Board comprises five Directors, of whom two are Executive Directors, namely Mr. Dai Xiaoming and Mr. Kenneth Hiu King Kon; and three are Independent Non-Executive Directors, namely Mr. Jesse Nai Chau Leung, Dr. Xiang Bing and Mr. Edward Shen.*