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AUX

AUX INTERNATIONAL HOLDINGS LIMITED

奧克斯國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2080)

**MAJOR AND CONNECTED TRANSACTION –
ACQUISITION OF PROPERTY MANAGEMENT COMPANY
AND
POTENTIAL CONTINUING CONNECTED TRANSACTION**

The Vendor and the Purchaser entered into the Agreement on 7 November 2016 pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing 100% of the equity interests of the Target Company, for the Consideration of RMB153,000,000 (equivalent to approximately HK\$174,420,000), subject to adjustment.

On 7 November 2016, the Target Company and the Vendor entered into the Property Services Framework Agreement for a period of three years commencing from 1 January 2017 and ending on 31 December 2019 pursuant to which various property management services, including Pre-sale Management Service, Sales Offices Management Services and the Unsold Residential Units Property Management Services, will be provided by the Target Company to the Vendor.

As at the date of this announcement, Mr. Zheng Jian Jiang is the controlling shareholder of the Company and he owns indirectly through Hui Ri Limited a total of 219,950,000 shares, representing approximately 69.83% of the existing issued share capital of the Company. Mr. Zheng Jian Jiang is also the controlling shareholder of the Vendor and therefore the Vendor is considered as a connected person to the Company.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company pursuant to Rule 14.07 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements thereunder. Also, the Acquisition constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and are therefore subject to the reporting, announcement and Independent Shareholders' approval requirements thereunder.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the annual caps of the Continuing Connected Transaction contemplated under the Property Services Framework Agreement are more than 5%, the Continuing Connected Transaction is therefore subject to the reporting, announcement and independent shareholders' approval requirements thereunder.

The EGM will be held during which ordinary resolutions shall be proposed to the Independent Shareholders to approve the Acquisition and the Continuing Connected Transaction. An Independent Board Committee has been established to make recommendations to the Independent Shareholders regarding the Acquisition and the Continuing Connected Transaction. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Continuing Connected Transaction.

The Company expects the notice of the EGM and the circular giving further information on the Acquisition and the Continuing Connected Transaction and containing, among others, the advice of an independent financial adviser, and the recommendations from the Independent Board Committee will be despatched to the shareholders of the Company on or before 28 November 2016.

INTRODUCTION

The Vendor and the Purchaser entered into the Agreement on 7 November 2016 pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing 100% of the equity interests of the Target Company, for the Consideration of RMB153,000,000 (equivalent to approximately HK\$174,420,000), subject to adjustment as described below.

THE AGREEMENT

A summary of the principal terms of the Agreement are set out below:

Date: 7 November 2016

Parties:

- (1) Vendor
- (2) Purchaser
- (3) Target Company

Assets to be acquired: Pursuant to the Agreement, the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing 100% of the equity interests of the Target Company, on the terms and conditions as set out therein.

As at the date of this announcement, the Target Company and its branches provides property management services to 21 property developments and residences in the PRC.

Consideration: The Consideration for the Acquisition is RMB153,000,000 (equivalent to approximately HK\$174,420,000), subject to adjustments set out below:

If details of the property management projects as of Completion deviates from those agreed in the Agreement, the Consideration shall be reduced accordingly on such terms to be agreed by the Vendor and the Purchaser.

Part of the Consideration (RMB53,000,000) will be financed by the Company's internal resources. Huiji Limited, the controlling shareholder of the Company, will grant to the Purchaser an unsecured loan of RMB100,000,000 with a term of 5 years at the interest rate of 2% per annum to finance the Consideration. As a financial assistance to be provided by the connected person of the Company on normal commercial terms without security imposed on the assets of the Company, the loan is fully exempt from the reporting, announcement and independent shareholders approval requirements under Chapter 14A of the Listing Rules.

The Consideration shall be paid in two instalments as set forth below:

- (i) as to RMB50,000,000 (equivalent to approximately HK\$57,000,000), being approximately 32.68% of the Consideration, to the designated account of the Vendor on the Completion Date; and
- (ii) the remaining balance of the Consideration to the designated account of the Vendor within three months after the Completion date.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser and took into account, amongst other things, (a) the net asset value of the Target Company of RMB39.6 million (equivalent to approximately HK\$45.1 million) as at 30 June 2016 as shown in the financial statements of the Target Company prepared under HKFRS basis; (b) the property management contracts entered into by the Target Company in respect of 21 property developments and residences in the PRC; (c) future business prospect taking into consideration the growth in China's property management industry; (d) the Profit Guarantee; and (e) the preliminary estimation of the fair value of the Target Company pursuant to the business valuation to be carried out by an independent valuer under the market approach.

Conditions precedent:

Completion is conditional upon satisfaction (or waiver, as the case may be and where applicable) of the following conditions:

- (a) the issue of the audited financial statements of the Target Company for the years ended 31 December 2013, 2014, 2015 and for the six months period ended 30 June 2016;
- (b) the Purchaser being satisfied in its absolute discretion with the results of the due diligence review in respect of, among other things, the Vendor, the Target Company and its business, legal status and financial position upon completion of the due diligence review conducted by the Purchaser and its advisors;

- (c) the Purchaser and the Company having obtained all necessary or appropriate approvals, authorisations, consents and licences as a company listed on the Main Board of the Stock Exchange, including but not limited to the approval of the Independent Shareholders for the Agreement and the transactions contemplated thereunder at EGM;
- (d) having obtained all other necessary or appropriate approvals, authorisations, consents and licences which may be required by the Vendor, Target Company or under any existing contractual arrangements of the Vendor or Target Company for the consummation of the transactions contemplated under the Agreement;
- (e) having obtained all other necessary or appropriate approvals, authorisations, consents, filings and licences which may be required by any governmental or regulatory authorities for the consummation of the transactions contemplated under the Agreement, and having satisfied all statutory requirements to which the Vendor or the Target Company may be required to comply with for the consummation of the transaction contemplated under the Agreement;
- (f) having obtained a business valuation report issued by an independent valuer nominated by the Purchaser confirming the value of the Target Company and the substance of which shall be satisfactory to the Company in its absolute discretion;
- (g) all representations and warranties given by the Vendor under the Agreement remaining true and accurate in all material respects and not misleading as if the representations and warranties are repeated by the Vendor at all times from the date of the Agreement to the Completion Date; and

- (h) relevant documents in relation to the Acquisition (including the Agreement and the Articles of Association of the Target Company) having been duly executed, and both parties having complied with all provisions and obligations thereunder in all material aspects on or before the Completion Date.

In the event that the above conditions precedent cannot be fulfilled (or waived), the Agreement shall be terminated and the Vendor shall refund all sums paid by the Purchaser under the Agreement together with interest accrued thereon.

Completion:

Subject to satisfaction (or waiver, as the case may be and where applicable) of the above conditions precedent, Completion shall take place on the Completion Date. Upon registration of transfer of the Sale Shares by the relevant regulatory authority, the Target Company will become a wholly-owned subsidiary of the Company.

Profit Guarantee:

The Vendor guarantees to the Purchaser that, subject to the terms of the Agreement, the Net Profit for the financial year ending 31 December 2016 and 31 December 2017 shall be not less than RMB15 million and RMB18 million (the “**Guaranteed Profit**”) respectively. The amount of Profit Guarantee was determined with reference to historical performance of the Target Company, the amount attributable to the contracts on hand for the Target Company and the expected business growth of the Target Company.

In the event that the actual Net Profit is less than the Guaranteed Profit (the “**Shortfall**”) for the financial year ending 31 December 2016 and 2017, the Vendor shall pay to the Purchaser the sum representing the Shortfall. In this event, the Company will make announcement in accordance with Rule 2.07C of the Listing Rules regarding the Shortfall and will include details in its next published annual report and accounts containing the opinion of the independent non-executive Directors as whether the Vendor has fulfilled his obligations under the Profit Guarantee.

The Vendor has undertaken to procure members of the Core Senior Management Team to enter into service contracts with the Target Company to retain their existing positions as members of the Core Senior Management Team of the Target Company for a period of at least three years from the Completion Date. These service contracts are currently expected to allow the Target Company to terminate under certain prescribed circumstances triggered by events such as serious breach of the Target Company's regulations, misconduct or fraud which results in significant losses to the Target Company, concurrent employment with third parties, commission of criminal offence.

Accordingly, it is possible that members of the Core Senior Management Team would cease to be responsible for operating the Target Company within the first three years immediately after the Completion Date if (amongst other things) any of the above circumstances take place, and there is no guarantee that any or all of the Core Senior Management Team members will continue to be employed by the Target Company after such service contracts expire.

Additional undertaking:

Pursuant to the Agreement, the Vendor has undertaken to the Company that:

- (i) the Vendor will indemnify the Purchaser, the Target Company or their respective beneficial owners, shareholders, directors, senior management and employees (the "**indemnified persons**") against any penalties, administrative penalties, claims, payments, damages or any sums and penalties requested by governmental bodies, regulatory authorities and any third parties after the Completion Date which may be incurred by the indemnified persons resulting from any non-compliance or partial non-compliance of any requirement under laws and regulations by the Target Company in relation to their operation and assets (including but not limited to property interest, intellectual properties, insurance and employment of labour) prior to the Completion Date; and

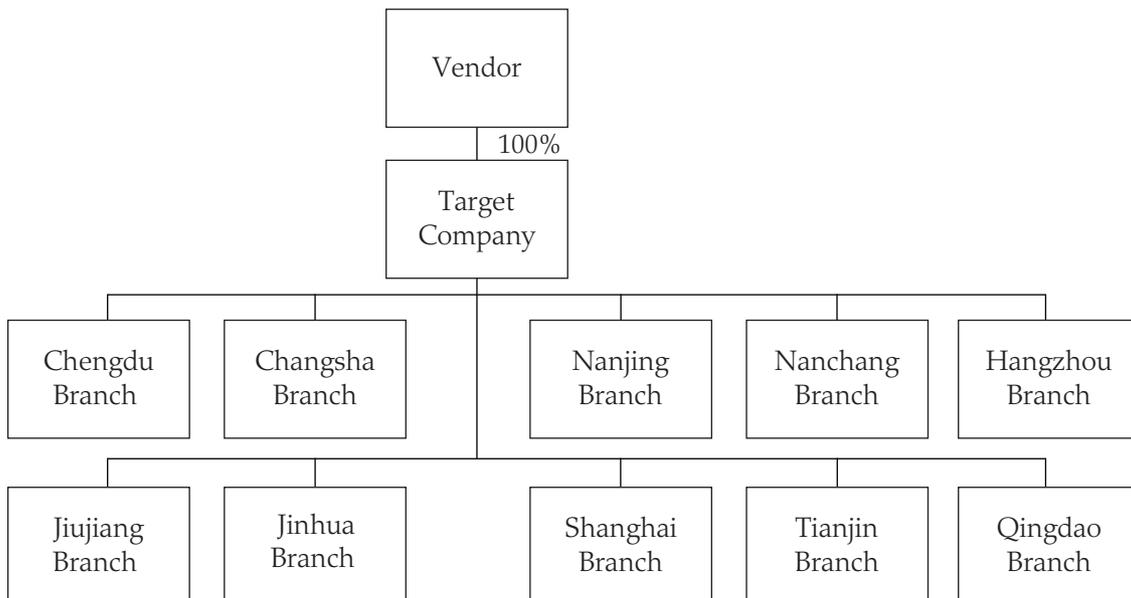
- (ii) within 3 years from the date of Agreement, except by way of holding the Shares or being the management of the Company (if applicable), the Vendor and its associates shall not, directly or indirectly engaged in the Business (regardless of via shareholding or by contract).

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC with a registered share capital of RMB5 million. The Target Company are principally engaged in property management business and provide property management services to 21 property developments and residences in the PRC. The Vendor have confirmed that, as at the date of this announcement, the Target Company managed 21 communities (including residential properties and residential properties with ancillary commercial units) in 11 cities in the PRC with an aggregate contracted gross floor area of approximately 3.14 million square metres.

The Target Company’s property management services primarily include: (i) services such as security, cleaning, gardening, repair and maintenance provided to residential communities, which include mixed-use properties containing residential units and ancillary facilities that are non-residential in nature, (ii) pre-sale services provided to property developers, including cleaning, security and maintenance of the pre-sale display units; and (iii) parking service provided in residence.

Set out below is the shareholding structure of the Target Company as at the date of this announcement:



The Target Company was incorporated on 15 July 2008 (with an initial share capital of RMB1.5 million). A summary of the key financial statements line items (prepared under HKFRS basis) of the Target Company for the relevant periods are as follows:

| | For the year ended 31 December 2013 <i>RMB'000</i> | For the year ended 31 December 2014 <i>RMB'000</i> | For the year ended 31 December 2015 <i>RMB'000</i> | For the six months ended 30 June 2016 <i>RMB'000</i> |
|-------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Revenue | 40,926 | 70,438 | 87,629 | 52,360 |
| Profit before tax | 5,586 | 16,864 | 13,705 | 10,949 |
| Profit after tax | 4,177 | 13,180 | 10,650 | 8,412 |
| | As at 31 December 2013 <i>RMB'000</i> | As at 31 December 2014 <i>RMB'000</i> | As at 31 December 2015 <i>RMB'000</i> | As at 30 June 2016 <i>RMB'000</i> |
| Total assets | 42,650 | 66,689 | 89,192 | 106,812 |
| Total liabilities | 37,272 | 46,131 | 57,984 | 67,192 |
| Net assets | 5,378 | 20,558 | 31,208 | 39,620 |

POTENTIAL CONTINUING CONNECTED TRANSACTION

Mr. Zheng Jian Jiang, the controlling shareholder of the Company, indirectly holding 85% equity interest in the Vendor as at the date of this announcement, is a connected person of the Company. The Target Company will become part of the Group upon the Completion, therefore, any transactions occurring between the Target Company and the Vendor after Completion will become continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

On 7 November 2016, the Target Company and the Vendor entered into the Property Services Framework Agreement for a period of three years commencing from 1 January 2017 and ending on 31 December 2019.

The principal terms of the Property Services Framework Agreement are set out below:

Date: 7 November 2016

Parties: (i) Target Company

(ii) Vendor

Term: The Property Services Framework Agreement shall be effective from 1 January 2017 to 31 December 2019 (both date inclusive)

Types of services, pricing policies and payment of service fees: Target Company shall be commissioned to provide various residential property management services including the maintenance, cleaning and security services in connection with the residential development projects of the Vendor and its subsidiaries and associates (the “**Ningbo AUX Real Estate Group**”) with the types of services and their respective pricing policies and payment terms as summarized below:

a. Pre-sale Management Service

Scope of services: Management and maintenance of residential properties and facilities of completed development projects of Ningbo AUX Real Estates Group before delivery.

Pricing policy: The service fee will be based on the prevailing market price, with the type of the development projects and operational costs and the anticipated increase in such costs taken into consideration.

Payment term: Payment shall be made annually, half yearly, quarterly or monthly (as the case may be) pursuant to the relevant terms of the specific agreements to be entered into.

b. Sales Offices Management Services

Scope of services: Cleaning, security and customer services at the sales offices and showrooms in the development projects.

Pricing Policy: The service fee will be based on the prevailing market price, with the historical and anticipated property management costs taken into consideration, including labour costs and material costs, following arm's length negotiation.

Payment term: Payment shall be made monthly pursuant to the terms of the specific agreements to be entered into.

c. Unsold Residential Units Property Management Services

Scope of services: Maintaining and cleaning of unsold residential units.

Pricing policy: The service fee will be based on the prevailing market price, with the historical and anticipated number of unsold units taken into consideration.

Payment term: Payment shall be made monthly pursuant to the terms of the specific agreements to be entered into.

Specific agreements: For each property development project of Ningbo AUX Real Estate Group which requires the residential property management services under the Property Services Framework Agreement, Ningbo AUX Real Estate Group and the Target Company will (directly or through their respective subsidiaries or branches) enter into a specific agreement setting out the specific scope of services required and amount of fees payable in conformity with the terms (including the pricing policy mentioned above) set out in the Property Service Framework Agreement.

All transactions contemplated under the Property Services Framework Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis.

Annual Caps and its basis:

The annual caps of the service fees under the Property Services Framework Agreement for the year ending 31 December 2017, 2018 and 2019 are RMB34.0 million, RMB20.1 million and RMB17.4 million respectively.

The annual caps are determined with reference to, among others, the following factors:

- (1) the aggregate amount of approximately RMB24.1 million and RMB14.8 million paid by Ningbo AUX Real Estate Group for property management services for the year ended 31 December 2015 and for the six months period ended 30 June 2016 respectively;
- (2) the estimated demand of Ningbo AUX Real Estate Group for property management services for the year ending 31 December 2017, 2018 and 2019 with reference to the existing agreements and the timetable of future development projects of Ningbo AUX Real Estate Group; and
- (3) other factors such as the business plans of the Target Company and the inflation.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS AND THE CONTINUING CONNECTED TRANSACTION

The Group is principally engaged in clubbing business in Hong Kong and is one of the prominent brand in the clubbing and entertainment industry in Hong Kong.

The Vendor is a limited liability company established in the PRC with the principal business activities of property development in the PRC.

As set out in the annual report of the Company for the year ended 31 March 2016, the Group's revenue decreased during the year ended 31 March 2016 due to its target consumer's desire to spend has been dampen by an volatile and uncertain economic condition. The Group's loss for the year ended 31 March 2016 increased to HK\$26.0 million was mainly due to (i) a decrease in revenue mainly due to continually weakening sentiment in consumer market caused by volatile economic condition and intense competition in clubbing business; (ii) the closure of Beijing Club from 15 September 2015 until the end of its tenancy for reinstatement work without any rent-free period; and (iii) full effect of the operational and rental expenses of Zentral, which was opened in December 2014.

While the Company is expecting challenging macro economic environment remaining in the foreseeable future, the Company has been actively exploring investment opportunities. In particular, the Company welcomes investment opportunities that are beneficial to the long term development, with an aim to broaden its income source, brings stable and additional cash inflow to the Company and generate the best return from investments interest of which is in the best to the Shareholders.

The Target Company has been principally engaged in property management services in the PRC. Over the past years, property management industry has experience rapid growth with the support from favorable government policies in the PRC. The PRC government has issued a series of favorable policies supporting the development of the property management industry. For example, the Zhejiang provincial government issued Opinions to Facilitate Development of the Modernized Property Management Industry (關於加快發展現代物業服務業的若干意見) in March 2012, promulgating a series of fiscal and financial incentives, among other things, for property management companies in Zhejiang Province.

The Target Company's revenue amounted to RMB40.9 million, RMB70.4 million and RMB87.6 million, in 2013, 2014 and 2015 respectively, representing a year on year increase of 72.1% and 24.4% respectively.

In light of (i) the promising growth in the PRC property management industry; (ii) the continuing growth in the business and financial performance of the Target Company, the Directors consider the Acquisition as a business opportunities which will diversify the Company's income streams and is expected to enhances the Company's earning profile, and that the terms of the Acquisition and the Agreement are on normal or better commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Ningbo AUX Real Estate Group is a well known real estate developer focus on residential and commercial properties in China. Ningbo AUX Real Estate Group has a total of 2.28 million sq.m. under development and established presence in 11 cities as at the date of this announcement.

Historically being a subsidiary of the Ningbo AUX Real Estate Group, the Target Company is also an established business partner to Ningbo AUX Real Estate Group.

Hence, the Board believes that the Property Services Framework Agreement shall provide stable demand for the Target Company's property management services and represents a stable and trustworthy business relationship for the Target Company.

In light of the above, the Directors consider that the terms of the Continuing Connected Transaction are on normal or better commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

As at the date of this announcement, Mr. Zheng Jian Jiang is the controlling shareholder of the Company and he owns indirectly through Huiyi Limited a total of 219,950,000 shares, representing approximately 69.83% of the existing issued share capital of the Company. Mr. Zheng Jian Jiang is also the controlling shareholder of the Vendor and therefore the Vendor is considered as a connected person to the Company.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company pursuant to Rule 14.07 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements thereunder. Also, the Acquisition constitute a connected transaction of the Company under Chapter 14A of the Listing Rules, and are therefore subject to the reporting, announcement and Independent Shareholders' approval requirement thereunder.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the annual caps of the Continuing Connected Transaction contemplated under the Property Services Framework Agreement are more than 5%, the Continuing Connected Transaction is therefore subject to the reporting, announcement and independent shareholders' approval requirements thereunder.

The Agreement and the transactions contemplated thereunder and the Continuing Connected Transaction have been considered and approved by the Board. Mr. Zheng Jiang, Ms. Shen Guoying and Mr. Chan Hon Ki abstained from voting on the relevant board resolutions approving the Acquisition and the Continuing Connected Transaction given that they have a material interest in the Acquisition and the Continuing Connected Transaction.

EGM

The EGM will be held during which ordinary resolutions shall be proposed to the Independent Shareholders to approve the Acquisition and the Continuing Connected Transaction. The Agreement and the transactions contemplated thereunder and the Continuing Connected Transaction are subject to the approval of the Independent Shareholders at the EGM on a vote taken by way of poll and on which Huiji Limited (which hold 219,950,000 shares, equivalent to approximately 69.83% of the issued share capital of the Company) and their respective associates shall abstain from voting.

An Independent Board Committee has been established to make recommendation to the Independent Shareholders regarding the Acquisition and the Continuing Connected Transaction. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Agreement and the transactions contemplated thereunder and the Continuing Connected Transaction.

The Company expects the notice of the EGM and the circular giving further information on the Acquisition and the Continuing Connected Transaction and containing the advice of an independent financial adviser, and the recommendations from the Independent Board Committee will be despatched to the shareholders of the Company on or before 28 November 2016.

DEFINITIONS

| | |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition” | the acquisition of the Sale Shares by the Purchaser pursuant to the Agreement |
| “Agreement” | the equity transfer agreement dated 7 November 2016 entered into among the Target Company, the Vendor and the Purchaser in relation to the Acquisition |
| “associate(s)” | shall have the same meaning as ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Business” | the business of the Target Company as permitted under the applicable laws and regulations |
| “Company” | AUX International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange (stock code: 2080) |
| “Completion” | completion of the Acquisition pursuant to the terms of the Agreement |
| “Completion Date” | upon the satisfaction or waiver of the conditions precedent and the fifth working day after completion of the registration of transfer of the Sale Shares and the issue of a revised business registration certificate of the Target Company by the relevant regulatory authority or such later date as agreed between the Vendor and the Purchaser |
| “Consideration” | RMB153,000,000 (equivalent to approximately HK\$174,420,000) subject to adjustment |
| “Continuing Connected Transaction” | the continuing connected transactions as contemplated under the Property Services Framework Agreement |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules |

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| “Core Senior Management Team” | He Jianglin (何江林), Dai Wanhong (戴萬宏), Zhang Debao (張德寶) and Zhao Baohua (趙寶華) |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be held for the purpose of considering and, if though fit, approving the Agreement and the transactions contemplated thereunder and the Continuing Connected Transaction |
| “Enlarged Group” | Company and its subsidiaries as enlarged by the Acquisition upon Completion |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | the independent committee of the Board comprising of Mr. Poon Chiu Kwok, Mr. Bau Siu Fung and Ms. Lou Aidong, being all the independent non-executive Directors, appointed by the Board to advise the Independent Shareholders in relation to the Acquisition and the transactions contemplated under the Agreement and the Continuing Connected Transaction |
| “Independent Shareholder(s)” | Shareholder(s) that is not required to abstain from voting at the EGM |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Net Profit” | the net profit after tax of the Target Company as to be shown in its audited financial statements to be prepared according to the Hong Kong Financial Reporting Standards |
| “PRC” | the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan |

| | |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Profit Guarantee” | the guarantee given by the Vendor to the Company that subject to the terms of the Agreement, the Net Profit for the financial years ending 31 December 2016 and 31 December 2017 shall be not less than RMB15 million and RMB18 million respectively |
| “Property Services Framework Agreement” | the framework agreement dated 7 November 2016 entered into between the Target Company and the Vendor in relation to the Continuing Connected Transaction |
| “Purchaser” | Starry Chance Limited (寶星有限公司), a limited liability company established in Hong Kong and an indirect wholly owned subsidiary of the Company |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sale Shares” | 100% equity interest of the Target Company |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | 寧波奧克斯物業服務有限公司 (Ningbo AUX Property Management Service Co., Ltd.*), a limited liability company established in the PRC |
| “Vendor” | 寧波奧克斯置業有限公司 (Ningbo AUX Real Estate Co., Ltd.*), a limited liability company established in the PRC |
| “%” | per cent |

* *All English translation of the Chinese names of the Companies established in the PRC is for identification purpose only.*

For the purpose of the this announcement, unless otherwise indicated, conversion of RMB and HK\$ is calculated at the exchange rate of RMB1 to HK\$1.14. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, may be exchanged at this or any other rate or at all.

By order of the Board
AUX International Holdings Limited
Zheng Jiang
Chairman

Hong Kong, 7 November 2016

As at the date of this announcement, the executive Directors are Mr. Zheng Jiang, Mr. Chan Hon Ki, Ms. Chen Huajuan and Ms. Shen Guoying and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Bau Siu Fung and Ms. Lou Aidong.