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POLYTEC ASSET HOLDINGS LIMITED

保利達資產控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 208)

INSIDE INFORMATION AND RESUMPTION OF TRADING

I. INSIDE INFORMATION

The board of directors (the “**Board**”) of Polytec Asset Holdings Limited (the “**Company**”) together with the subsidiaries, the “**Group**”) makes this announcement pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 23 November 2015, 4 December 2015 and 20 October 2017 (collectively, the “**Announcements**”) and the 2015 Annual Report, the 2016 Interim Report, the 2016 Annual Report, the 2017 Interim Report and the 2017 Annual Report of the Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those used in the Announcements.

On 23 May 2018, the Tribunal de Ultima Instancia (終審法院) of the Macau SAR rejected the application of Final Appeal by PCL for invalidating the decision made by the Chief Executive of the Macau SAR to terminate the Concession of the Project.

According to the legal opinion obtained by the Company, it is expected that the principal application by PCL to the Tribunal Administrativo (行政法院) of the Macau SAR requesting compensation of time (by way of extension of the Concession) for the Project will cease to proceed, due to the aforesaid unfavourable judgement of the Tribunal de Ultima Instancia (終審法院) of the Macau SAR.

Based on the audited financial statements of the Group as at 31 December 2017, the Group's interests in the Project amounted to approximately HK\$7.84 billion. However, according to the legal opinion obtained by the Company, the Board of the Company is of the view that PCL has strong legal grounds and arguments to seek compensation from the Macau SAR Government for losses and damages, including but not limited to all actual losses suffered and all loss of profit as expected to be derived upon completion of the Project, as a result of the procedural delay in granting the requisite approvals and permits for the development of the Project which caused the incompleteness of the Project before the Expiry Date. An application will be made as soon as practicable by the legal representative of PCL in this regard.

In addition, pursuant to the First Co-investment Agreement (“FCIA”) for the development of the Project, in the event that PCL fails to complete the Project under the FCIA, Polytec Holdings International Limited (“Polytec Holdings”), the ultimate controlling shareholder of the Company, will be required to indemnify the Group in respect of any loss suffered. Therefore, any loss to the Group due to the repossession of the land of the Project by the Macau SAR Government will be indemnified by Polytec Holdings.

The Board of the Company is thus of the view that the termination of the Project should not have any adverse effect on the financial position of the Group. The Company will take all necessary and appropriate actions to protect its interests. The Company will make further announcement(s) to keep the market informed on the development of the case.

Currently, though the Project is terminated, the property business of the Group still mainly comprises property investment, trading and development related activities and interests in property development at Lotes T+T1 (La Marina) in Macau. The Group is also engaged in the ice and cold storage business in Hong Kong and the oil business in Kazakhstan. Moreover, the Group is still actively exploring property development and investment opportunities elsewhere in the region, including the Pearl River Delta, with an aim to increase its capacity and build a solid foundation of sustainable growth for the Group.

Caution

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

II. RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been halted with effect from 1:00 p.m. on 23 May 2018. The Company has applied to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 25 May 2018.

By Order of the Board
Polytec Asset Holdings Limited
Or Wai Sheun
Chairman

Hong Kong, 24 May 2018

As at the date of this announcement, Mr. Or Wai Sheun (Chairman), Mr. Yeung Kwok Kwong, Ms. Wong Yuk Ching and Ms. Chio Koc Ieng are Executive Directors of the Company; Mr. Lai Ka Fai and Ms. Or Pui Ying, Peranza are Non-executive Directors of the Company and Mr. Liu Kwong Sang, Dr. Tsui Wai Ling, Carlye and Prof. Dr. Teo Geok Tien Maurice are Independent Non-executive Directors of the Company.

**For identification purpose only*