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SINOREF

SINOREF HOLDINGS LIMITED

華耐控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1020)

**CLARIFICATION ANNOUNCEMENT ON
CONNECTED TRANSACTION
ISSUE OF NEW SHARES FOR SETTLEMENT OF PROMISSORY NOTE**

Reference is made to the Company's announcement dated 6 September 2016 ("Announcement") relating to the Subscription. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

The Board would like to clarify that the exemption under Rule 14A.101 of the Listing Rules do not apply to the Subscription. Therefore the Subscription constitutes a non-exempt connected transaction the Company. As a result, the Company and the Subscriber have agreed to vary the Subscription Agreement to the following effect:

1. The Subscription shall be subject to approval of Shareholders at an extraordinary general meeting ("EGM") in accordance with Chapter 14A of the Listing Rules;
2. the Subscription Shares will be issued pursuant to the specific mandate to be sought at the EGM.

An independent board committee comprising all independent non-executive Directors will be established to advise the independent Shareholders (i) as to whether the terms of the Subscription Agreement are fair and reasonable so far as the independent Shareholders are concerned and whether the Subscription is in the interests of the Company and the Shareholders as a whole; and (ii) on whether to vote in favour of the Subscription, after taking into account the recommendation of the independent financial adviser to be appointed.

An EGM will be held to consider and, if thought fit, approve the Subscription. A circular containing, among other things, (i) further details of the Subscription; (ii) a letter from the independent board committee to the Independent Shareholders in relation to the Subscription; (iii) a letter of advice from the independent financial adviser to the independent board committee and the independent Shareholders in relation to the Subscription and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

By order of the Board
Sinoref Holdings Limited
Xu Yejun
Chairman

Hong Kong, 7 September 2016

As at the date of this announcement, the executive Directors are Mr. Xu Yejun and Mr. Sin Kwok Wai Ronald, the non-executive Directors are Mr. Chow Chi Wa and Ms. Yip Sum Yu and the independent non-executive Directors are Mr. Cao Ke, Mr. Tong Yiu On and Mr. Li Yik Sang.