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Ngai Shun Holdings Limited

毅信控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01246)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL OF ACHIEVED SUCCESS COMPANY LIMITED

The Board is pleased to announce that on 22 January 2014 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with, among others, the Vendor pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of the Target Company at a total cash consideration of HK\$35,400,000 (subject to adjustment).

As one or more of the applicable percentage ratios in respect of the Acquisition calculated pursuant to the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company for the purpose of the Listing Rules, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 22 January 2014 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with, among others, the Vendor pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire issued share capital of the Target Company at a total cash consideration of HK\$35,400,000 (subject to adjustment).

Principal terms of the Sale and Purchase Agreement are set out below:

Date: 22 January 2014

Parties:

- (i) Purchaser: Laurel Stars Limited, an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding. The Group is principally engaged in the foundation business in Hong Kong as a foundation subcontractor.
- (ii) Vendor: Rosy Lane Investments Limited, a company incorporated in the BVI and is principally engaged in investment holding

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter:

The entire issued share capital of the Target Company owned by the Vendor. Details of the Target Company are set out in the paragraph headed “Information of the Target Company” below.

Consideration:

The Consideration of HK\$35,400,000, subject to adjustment, will be payable by the Purchaser to the Vendor in the following manner:

- (1) a deposit of HK\$3,540,000 has been paid by the Purchaser to the Vendor upon the execution of the Sale and Purchase Agreement; and
- (2) the balance of the Consideration will be paid by the Purchaser to the Vendor or the Vendor’s solicitors or such other party(ies) as the Vendor or the Vendor’s solicitors may direct in writing on the Completion Date.

The Consideration shall be subject to adjustment by adding the aggregate amount of the current assets of the Target Group as at the Completion Date including the utility deposits, transferable funds and expenses prepayment of the Properties on or after the Completion Date and rent and other moneys to be received by Platinum Success pursuant to the leases of the Properties up to the Completion Date, cash and bank balance, if any and deducting the aggregate amount of the liabilities (if any) of the Target Group as at the Completion Date including rental deposit, receipt in advance, rates, government rent and other expenses due and not paid in relation to the Properties for the period up to the Completion Date.

Basis of determination of the Consideration:

The Consideration was determined based on normal commercial terms and arrived at after arm’s length negotiations between the Purchaser and the Vendor, having considered the valuation of the Properties at HK\$35,400,000 as at 18 December 2013 by RHL Appraisal Limited, an independent professional valuer. The Group intends to settle the Consideration through internal resources.

Conditions precedent

Completion is conditional upon:

- (a) the Purchaser being reasonably satisfied with the results of the due diligence review of the Target Group;
- (b) on or before Completion, the Vendor shall prove, show and give a good title to the Properties in accordance with the terms of the Sale and Purchase Agreement;
- (c) the Vendor shall procure at its own cost and expenses the discharge by Platinum Success of the Existing Security on or before Completion provided that the Purchaser shall not require the production or delivery of the Existing Security and the release/discharge of the Properties from the Existing Security on Completion but shall accept the undertaking

from the Vendor's solicitors to deliver the Existing Security and the release/discharge of the Properties from the Existing Security within twenty-one (21) days from the Completion Date in accordance with the usual undertakings recommended by the Law Society of Hong Kong for conveyancing transaction;

- (d) save and except the interest under the Existing Security and the leases of the Properties, there is no third party (whether related or otherwise) has any right or interest whatsoever whether legal or equitable, in the Properties or any interest thereof and Platinum Success has the sole absolute right and interest in the Properties; and
- (e) all representations and warranties given by the Vendor and the Vendor's holding company under the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading as if the representations and warranties are repeated by the Vendor and the Vendor's holding company at all times from the date of the Sale and Purchase Agreement to the Completion Date.

The Vendor shall use its best endeavours to procure that the conditions precedent stipulated in the Sale and Purchase Agreement shall be fulfilled on or before the Completion Date. If any of the conditions precedent stipulated in the Sale and Purchase Agreement has not been fulfilled or not waived by the Purchaser (other than conditions precedent as set out in items (c) and (d) above which may not be waived) on or before the Completion Date, then the Vendor shall refund the deposit paid by the Purchaser and the Sale and Purchase Agreement shall lapse and no party shall have any liability under the Sale and Purchase Agreement (without prejudice to the rights of the parties in respect of any antecedent breaches).

Completion

Completion shall take place at or before 1:00 pm on the Completion Date subject to all the conditions precedent stipulated in the Sale and Purchase Agreement being fulfilled or waived by the Purchaser (other than conditions precedent as set out in items (c) and (d) above which may not be waived).

Warranties

Under the Sale and Purchase Agreement, each of the Vendor and the Vendor's holding company has agreed to give the warranties, representations and undertakings in respect of the Target Group and the Properties and execute a deed of indemnity to the Purchaser.

INFORMATION OF THE TARGET COMPANY

The Target Company is the legal and beneficial owner of the entire issued share capital of Platinum Success. As at the date of this announcement, the principal assets of Platinum Success are the Properties, details of which are set out below in the paragraph headed "The Properties".

THE PROPERTIES

The particulars of the Properties are as follows:

- Properties Owner: Platinum Success
- Location:
- (1) Flat A on 12th Floor, Champion Building, Nos. 301-309 Nathan Road, Kowloon, Hong Kong
 - (2) Flat K on 9th Floor, Champion Building, Nos. 301-309 Nathan Road, Kowloon, Hong Kong
- Total gross floor area: Approximately 2,690 square feet
- Existing tenancy agreements:
- (1) The tenancy agreement dated 13 May 2013 with an Independent Third Party for part of the Properties for a term of two years commencing from 13 May 2013 and expiring on 12 May 2015 at a monthly rent of HK\$2,000.
 - (2) The tenancy agreement dated 18 July 2013 with an Independent Third Party for part of the Properties for a term of two years commencing from 1 July 2013 and expiring on 30 June 2015 at a monthly rent of HK\$27,000.
 - (3) The tenancy agreement dated 25 January 2013 with an Independent Third Party for part of the Properties for a term of two years commencing from 1 January 2013 and expiring on 31 December 2014 at a monthly rent of HK\$22,000.
 - (4) The tenancy agreement dated 1 March 2013 with an Independent Third Party for part of the Properties for a term of two years commencing from 15 January 2013 and expiring on 14 January 2015 at a monthly rent of HK\$41,800.
 - (5) The tenancy agreement dated 16 December 2013 with an Independent Third Party for part of the Properties for a term of two years commencing from 1 January 2014 and expiring on 31 December 2015 at a monthly rent of HK\$4,600.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Directors consider that the Acquisition may provide a reasonable and stable rental income to the Group and provide flexibility for the Group to use the Properties for its own use as office after expiration or soon determination of the leases of the Properties.

The Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors have any material interest in the Sale and Purchase Agreement and the Acquisition and therefore, none of them have abstained from voting on the Board resolution(s) which approved the Sale and Purchase Agreement and the Acquisition.

INFORMATION OF THE TARGET GROUP

As at 31 December 2013, the Target Group had an unaudited consolidated net asset value of approximately HK\$33,783,700. Set out below is a summary of certain unaudited financial information of the Target Group for the two years ended 30 June 2013 and 30 June 2012:

Target Group

	For the year ended 30 June 2013	For the year ended 30 June 2012
	<i>HK\$</i>	<i>HK\$</i>
Net profit/(loss) (before taxation)	6,042,572	(8,147)
Net profit/(loss) (after taxation)	5,604,572	(8,147)

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition calculated pursuant to the Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company for the purpose of the Listing Rules, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“BVI”	the British Virgin Islands

“Company”	Ngai Shun Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	on or before 31 March 2014 (or such other date as the parties to the Sale and Purchase Agreement may agree in writing) on which Completion is to take place
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$35,400,000, subject to adjustment, payable by the Purchaser to the Vendor by way of cash for the Acquisition pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Existing Security”	all charges and mortgages over the Properties
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individual(s) or company(ies) who/which is/are independent of and not connected with the Company and its subsidiaries or any of their connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Platinum Success”	Platinum Success Limited, a company incorporated in Hong Kong with limited liability, and a direct wholly-owned subsidiary of the Target Company
“Properties”	Flat A on 12th Floor, Champion Building, Nos. 301-309 Nathan Road, Kowloon, Hong Kong and Flat K on 9th Floor, Champion Building, Nos. 301-309 Nathan Road, Kowloon, Hong Kong
“Purchaser”	Laurel Stars Limited (桂星有限公司), a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 January 2014 entered into, among others, between the Purchaser and the Vendor in relation to the sale and purchase of the entire issued share capital of the Target Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Achieved Success Company Limited, a company incorporated in the BVI with limited liability, and is wholly-owned by the Vendor as at the date of this announcement
“Target Group”	Target Company and its subsidiary, Platinum Success
“Vendor”	Rosy Lane Investments Limited, a company incorporated in the BVI with limited liability
“%”	per cent.

By order of the Board
Ngai Shun Holdings Limited
Wong Sai Chung
Chairman

Hong Kong, 22 January 2014

As at the date of this announcement, the Company has (i) three executive Directors, namely Mr. Wong Sai Chung, Mr. Lam Wing Sum and Mr. Tao Chi Keung; (ii) one non-executive Director, namely Mr. Wong Sai Yee; and (iii) three independent non-executive Directors, namely Mr. Tam Tak Kei, Raymond, Mr. Pai Hao and Mr. Chiu Sai Chuen Nicholas.