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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 DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
ACHIEVED SUCCESS COMPANY LIMITED**

THE DISPOSAL

The Board is pleased to announce that on 10 July 2015 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser for the sale and purchase of the Sale Shares and the Sale Loan at the Consideration of HK\$42,000,000.

The principal assets of the Target Group are the Properties located in Jordan, Hong Kong and are currently leased to Independent Third Parties for investment purposes.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal contemplated under the Sale and Purchase Agreement exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under the Listing Rules.

Reference is made to the announcements of the Company dated 22 January 2014 and 28 May 2014 relating to the acquisition of the Target Company.

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 10 July 2015 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser for the sale and purchase of the Sale Shares and the Sale Loan at the Consideration of HK\$42,000,000.

Major terms of the Sale and Purchase Agreement are set out as follows:

1. Date

10 July 2015 (after trading hours)

2. Parties

- i. Vendor: Laurel Stars Limited (桂星有限公司), an indirect wholly-owned subsidiary of the Company;
- ii. Purchaser: Fair Jade Group Limited, a company incorporated in the BVI with limited liability.

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

3. Assets to be disposed of

The Sale Shares (100 shares, representing 100% of the issued capital of the Target Company) and the Sale Loan of HK\$37,099,615 owed by the Target Group to the Vendor as at 31 March 2015.

4. Consideration

The Consideration, of which the purchase price of the Sale Loan shall be equal to the face value of the Sale Loan and the purchase price of the Sale Shares shall be equal to the balance of the Consideration, shall be satisfied in the following manner:

- (i) as to HK\$8,400,000 shall be paid by the Purchaser to the Vendor (or his nominee) in cash upon the signing of the Sale and Purchase Agreement as an initial deposit, which shall be applied as part of the Consideration upon Completion; and
- (ii) as to the balance of HK\$33,600,000 shall be paid by the Purchaser to the Vendor (or his nominee) in cash on the Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, among other things, the valuation of the Properties at HK\$41,400,000 as at 31 March 2015 by Colliers International (Hong Kong) Ltd., an independent professional valuer.

5. Conditions

Completion is subject to the fulfilment or (if applicable) waiver of the following conditions:

- (a) the Purchaser being reasonably satisfied with the results of the due diligence exercise (whether on legal, accounting, financial, operational, properties or other aspects that the Purchaser may consider necessary) on the Target Group and its assets, liabilities, activities, operations, prospects and other status which the Purchaser, its agents or professional advisers think reasonably necessary and appropriate to conduct;
- (b) (if applicable) the receipt from the Vendor of all such waivers, consents or other documents as the Purchaser may require in relation to the completion of the transactions contemplated under the Sale and Purchase Agreement;
- (c) there is no material adverse change or prospective material adverse change that has a material and adverse effect on the financial, business or other prospects of the Target Group as a whole;
- (d) the Purchaser being satisfied that, from the date of the Sale and Purchase Agreement and at any time before the Completion, that the Vendor's warranties remain true, accurate and not misleading and that no events have occurred that would result in any breach of any of the Vendor's warranties or other provisions of the Sale and Purchase Agreement by the Vendor;
- (e) the Purchaser having received from the Vendor, among other things, the audited balance sheet as at 31 March 2015 of each of the members of the Target Group which is incorporated in Hong Kong, the form and substance of which are to the satisfaction of the Purchaser; and
- (f) the Purchaser having received from the Vendor, among other things, the unaudited consolidated balance sheet of the Target Company as at 30 June 2015, the form and substance of which are to the satisfaction of the Purchaser.

6. Completion

As all the conditions under the paragraph headed "Conditions" above have already been fulfilled and as agreed by the Vendor and the Purchaser in writing, completion took place upon the signing of the Sale and Purchase Agreement.

INFORMATION ABOUT THE TARGET GROUP

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 can be summarised as follows:

- Properties Owner: Platinum Success
- Location: (1) Flat K on 9th Floor, Champion Building, Nos. 301–309 Nathan Road, Kowloon;
- (2) Flat A on 12th Floor, Champion Building, Nos. 301–309 Nathan Road, Kowloon
- Total saleable area: Approximately 2,690 square feet
- Existing tenancy agreements
- (1) The tenancy agreement dated 18 July 2013 with an Independent Third Party (supplemented by the letter dated 20 April 2015 entered into between Platinum Success and such Independent Third Party regarding an extension of the term of the tenancy agreement) for part of the Properties for a term of two years and 1 month commencing from 1 July 2013 and expiring on 31 July 2015 at a monthly rent of HK\$27,000;
 - (2) The tenancy agreement dated 16 June 2014 with an Independent Third Party for part of the Properties for a term of two years commencing from 17 June 2014 and expiring on 16 June 2016 at a monthly rent of HK\$4,200;
 - (3) The tenancy agreement dated 25 November 2014 with an Independent Third Party for part of the Properties for a term of two years commencing from 15 January 2015 and expiring on 14 January 2017 at a monthly rent of HK\$44,200; and
 - (4) The tenancy agreement dated 11 December 2014 with an Independent Third Party for part of the Properties for a term of two years commencing from 1 January 2015 and expiring on 31 December 2016 at a monthly rent of HK\$24,200.

As at 31 March 2015, the Target Group had an unaudited consolidated net asset value of approximately HK\$4,660,000. Set out below is a summary of certain unaudited consolidated financial information of the Target Group for the two years ended 31 March 2015 and 31 March 2014:

Target Group

	For the years ended 31 March	
	2015	2014
	unaudited	unaudited
	<i>approximately</i>	<i>approximately</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	1,379	1,412
Profit before tax	840	4,225
Profit after tax	804	4,125

INFORMATION ABOUT THE VENDOR, THE GROUP AND THE PURCHASER

The Vendor (a wholly-owned subsidiary of the Company) is principally engaged in investment holding and the Group is principally engaged in the foundation business and investment in securities in Hong Kong.

The Purchaser is principally engaged in investment holding.

POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL

Immediately after completion of the Disposal, the Target Company and Platinum Success will cease to be subsidiaries of the Company and the financial results of the Target Group will no longer be consolidated into the Group's financial statements.

The net proceeds (after deducting other expenses in relation thereto) arising from the Disposal is approximately HK\$41,925,000, which will be used for general working capital of the Group.

Based on, *inter alia*, the Consideration, the Sale Loan, the unaudited net asset value of the Target Group as at 31 March 2015, and the related expenses for the Disposal, it is expected that the Group will record a gain arising from the Disposal of approximately HK\$165,000 upon Completion.

Shareholders should note that the above figures are for illustrative purpose only. The actual gain on the Disposal may be different from the above and will be determined based on the financial position of the Group on the date of completion of the Disposal and the review by the Company's auditors upon finalisation of the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors are of the view the Disposal will benefit the Group by indirectly realising its investment in the Properties and also improve the liquidity and overall financial position of the Group.

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

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal contemplated under the Sale and Purchase Agreement exceed(s) 5% but is/are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“Board”	the board of the Directors
“Business Day”	means a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“Company”	Ngai Shun Holdings Limited (毅信控股有限公司), 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 (Stock code: 01246)
“Completion”	completion of the Disposal
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the total cash consideration for the Disposal, being HK\$42,000,000
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Group”	the Company together with its subsidiaries

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Properties”	being (i) Flat K on 9th Floor, Champion Building, Nos. 301–309 Nathan Road, Kowloon, Hong Kong; and (ii) Flat A on 12th Floor, Champion Building, Nos. 301–309 Nathan Road, Kowloon, Hong Kong, with a total saleable area of approximately 2,690 square feet
“Purchaser”	Fair Jade Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 July 2015 entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Loan”	all obligations, liabilities and debts owed by the Target Group to the Vendor on or at any time prior to the Completion due and payable on the Completion, which, as at 31 March 2015, amounted to HK\$37,099,615
“Sale Shares”	100 shares of the Target Company, representing the entire issued share capital of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“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”	the Target Company and Platinum Success

“Vendor” 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

“%” per cent.

By Order of the Board
Ngai Shun Holdings Limited
Lam Wing Tai
Executive Director

Hong Kong, 10 July 2015

As at the date of this announcement, the Company has (i) five executive Directors, namely Dr. Wong Sai Chung, Albert, Mr. Lam Wing Sum, Mr. Lam Wing Tai, Mr. Chu Bai Qing and Mr. Zou Wei Dong; (ii) one non-executive Director, namely Mr. Chui Kwong Kau; and (iii) three independent non-executive Directors, namely Mr. Tam Tak Kei, Raymond, Mr. Chiu Sai Chuen Nicholas and Mr. Foo Tin Chung, Victor.