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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)

TENTATIVE AGREEMENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is pleased to announce that on 22 June 2016 (after trading hours), the Purchaser entered into the TA with the Vendor, pursuant to which the Purchaser intended to purchase and the Vendor intended to sell the Target Shares.

MAJOR TERMS OF THE TA

Date: 22 June 2016

Parties: (i) the Purchaser; and
(ii) the Vendor

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor confirms that he and his associates are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Assets to be acquired: the Target Shares, which represent 9.88% of the share capital of the Listco

Consideration: The parties to the TA agreed that the purchase price for each Target Share should represent 90% of the 120-days average trading price of the Target Shares prior to the date of the formal sale and purchase agreement for the acquisition of the Target Shares. If there is any significant differences between the due diligence results of the Purchaser and the public disclosure made by the Listco (including but not limited to annual report and litigation), which have a material impact on the net assets of the Listco, the parties agreed to adjust the consideration for the Target Shares accordingly.

- Conditions: The parties agree to enter into a formal sale and purchase agreement upon fulfillment of the following conditions:
- (i) all representations and warranties of the Vendor and the Listco remaining true, accurate and complete;
 - (ii) the Purchaser engaging relevant agents to conduct a due diligence on the Listco, and the result showing that the financial status of the Listco is satisfactory and there is no material legal issue;
 - (iii) the Vendor agreeing to authorize and cooperate with the parties designated by the Purchaser, in order to negotiate with the debtors of the Vendor to release the relevant charges, seizures or transfer constraints on the Target Shares;
 - (iv) the sale and purchase of the Target Shares being approved by the Purchaser and the Listco, including but not limited to approvals of board meeting and/or shareholder meeting;
 - (v) at the request of the Purchaser, all necessary approvals from the relevant government or regulatory parties being obtained; and
 - (vi) all legal documents related to the sale and purchase of the Target Shares and satisfactory to both parties being completed and entered into.
- Encumbrance: The parties agree that effectiveness of the TA is conditional on that charge, seizure or any transfer constraint on the Target Shares is released.
- Due diligence: In order to complete the acquisition of the Target Shares, the Purchaser will appoint professional parties and relevant agents to conduct a due diligence on the Listco after entering into the TA.
- Exclusivity: Without the agreement of the Purchaser, the Vendor should, from the date of the TA to the date when both parties agree to terminate the TA, not conduct a same, similar or relevant negotiation (including contact or discussion) with any third party on the whole or part of the acquisition under the TA.
- Binding effect: The TA is not legally binding on the Purchaser, the Vendor or the Listco.

INFORMATION ON THE LISTCO

The Listco is a company incorporated in the PRC, and principally engaged in processing and operation of video products. The Listco is also involved in the manufacturing and distribution of mid and small size light emitting diode backlight products. The Listco also sells set top boxes and provides leasing services. Shares of the Listco are listed on The Shanghai Stock Exchange with the stock code of 600234.

The Company wishes to emphasize that the proposed transaction may or may not proceed and that the Purchaser has not entered into any binding agreement in relation to the proposed transaction as at the date of this announcement. If the proposed transaction materializes, it may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. The Company will make further announcement in respect of the proposed transaction and when appropriate in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listco”	Shanxi Guanghe Landscape Culture Communication Company Limited (山西廣和山水文化傳播股份有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchaser”	Yueyang Dingsheng Technology Development Limited* (岳陽鼎盛科技發展有限公司), an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TA”	the non-legally binding tentative agreement dated 22 June 2016 setting out the basic terms and conditions under which negotiations on the acquisition of the Target Shares are carried out
“Target Shares”	20,000,000 shares of the Listco
“Vendor”	Huang Guozhong (黃國忠), a PRC citizen
“%”	per cent

By order of the Board
Ngai Shun Holdings Limited
Mock Wai Yin
Executive Director and Chairman

Hong Kong, 22 June 2016

* *For identification purposes only*

As at the date of this announcement, the Company has (i) two executive Directors, namely Mr. Mock Wai Yin and Mr. Wang Xin; (ii) one non-executive Director, namely Mr. Chui Kwong Kau and (iii) three independent non-executive Directors, namely Mr. Lam Chi Wai, Ms. Lau Mei Ying and Ms. Thadani Jyoti Ramesh.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.