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VESTATE GROUP HOLDINGS LIMITED
國投集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1386)

DISCLOSEABLE TRANSACTION
DISPOSALS OF PROPERTIES
AND
RESUMPTION OF TRADING

DISPOSALS OF PROPERTIES

The Board announces that on 6 February 2018 (after trading hours of the Stock Exchange), the Vendor, a wholly-owned subsidiary of the Company, entered into the Formal Agreements with the Purchasers, pursuant to which the Vendor has agreed to sell and the Purchasers have agreed to acquire the Properties in the aggregate consideration of HK\$150,000,000. The aggregate consideration for the Disposals was determined after arm's length negotiation and was based on normal commercial terms.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposals (when aggregated) are more than 5% but less than 25%, the Disposals constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

The Company has applied to the Executive and based on the fact that the Potential Purchaser has full knowledge of the Disposals and agreed on the Disposals at a consideration which would be higher than the valuation of the Properties of HK\$118,730,000 as at 31 March 2017, the Executive has granted a waiver from the requirement under Rule 4 (No frustrating action) of the Takeovers Code to obtain Shareholders' approval in a general meeting of the Company to approve the Formal Agreements.

The Board announces that on 6 February 2018 (after trading hours of the Stock Exchange), the Vendor, a wholly-owned subsidiary of the Company, entered into the Formal Agreements with the Purchasers, pursuant to which the Vendor has agreed to sell and the Purchasers have agreed to acquire the Properties in the aggregate consideration of HK\$150,000,000. Details of the Formal Agreements are set out below:

THE FIRST FORMAL AGREEMENT

Date: 6 February 2018 (after trading hours of the Stock Exchange)

Parties: (i) the Vendor
(ii) the First Purchaser

The Vendor is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

As at the date of this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the First Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding; and (ii) the First Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Sale and Purchase

Pursuant to the First Formal Agreement, the Vendor has agreed to sell the First Property to the First Purchaser. The First Property are units 1 to 20 on 7th floor situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong. Completion will take place on 9 March 2018 and the First Property will be sold with vacant possession to the First Purchaser. The consideration for the First Property is HK\$128,000,000 and 10% of the consideration for the First Property in the amount of HK\$12,800,000 as deposit and part payment of the consideration has been paid by the First Purchaser to the Vendor's solicitors as stakeholders on the date of the First Formal Agreement and the remaining balance of the consideration will be paid by the First Purchaser to the Vendor upon completion of the First Formal Agreement.

THE SECOND FORMAL AGREEMENT

Date: 6 February 2018 (after trading hours of the Stock Exchange)

Parties: (i) the Vendor

(ii) the Second Purchaser

As at the date of this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Second Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding; and (ii) the Second Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Sale and Purchase

Pursuant to the Second Formal Agreement, the Vendor has agreed to sell the Second Property to the Second Purchaser. The Second Property are unit 09 on 6th floor situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong. Completion will take place on 9 March 2018 and the Second Property will be sold with vacant possession to the Second Purchaser. The consideration for the Second Property is HK\$9,500,000 and 10% of the consideration for the Second Property in the amount of HK\$950,000 as deposit and part payment of the consideration has been paid by the Second Purchaser to the Vendor's solicitors as stakeholders on the date of the Second Formal Agreement and the remaining balance of the consideration will be paid by the Second Purchaser to the Vendor upon completion of the Second Formal Agreement.

THE THIRD FORMAL AGREEMENT

Date: 6 February 2018 (after trading hours of the Stock Exchange)

Parties: (i) the Vendor

(ii) the Third Purchaser

As at the date of this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Third Purchaser is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding; and (ii) the Third Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Sale and Purchase

Pursuant to the Third Formal Agreement, the Vendor has agreed to sell the Third Property to the Third Purchaser. The Third Property are unit 13 on 6th floor situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong. Completion will take place on 9 March 2018 and the Third Property will be sold to the Third Purchaser subject to a tenancy agreement. The consideration for the Third Property is HK\$9,500,000 and 10% of the consideration for the Third Properties in the amount of HK\$950,000 as deposit and part payment of the consideration has been paid by the Third Purchaser to the Vendor's solicitors as stakeholders on the date of the Third Formal Agreement and the remaining balance of the consideration will be paid by the Third Purchaser to the Vendor upon completion of the Third Formal Agreement.

THE FOURTH FORMAL AGREEMENT

Date: 6 February 2018 (after trading hours of the Stock Exchange)

Parties: (i) the Vendor
(ii) the Fourth Purchaser

As at the date of this announcement and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Fourth Purchaser is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding; and (ii) the Fourth Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Sale and Purchase

Pursuant to the Fourth Formal Agreement, the Vendor has agreed to sell the Fourth Property to the Fourth Purchaser. The Fourth Property are car parking space L16 on basement situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong. Completion will take place on 9 March 2018 and the Fourth Property will be sold with vacant possession to the Fourth Purchaser. The consideration for the Fourth Property is HK\$3,000,000 and 10% of the consideration for the Fourth Property in the amount of HK\$300,000 as deposit and part payment of the consideration has been paid by the Fourth Purchaser to the Vendor's solicitors as stakeholders on the date of the Fourth Formal Agreement and the remaining balance of the consideration will be paid by the Fourth Purchaser to the Vendor upon completion of the Fourth Formal Agreement.

THE CONSIDERATION

An independent valuation on the Properties has been conducted by an independent professional valuer and the valuation of the Properties is in the amount of HK\$118,730,000 as at 31 March 2017.

The aggregate consideration for the Properties is HK\$150,000,000 and was determined after arm's length negotiation taking into account the independent valuation on the Properties conducted by an independent professional valuer in the amount of HK\$118,730,000 as at 31 March 2017.

On the basis of the above factors and considering the benefits of the Disposals as set out in the section headed “Reasons for and benefits of the Disposals and use of proceeds” in this announcement, the Directors consider that the terms of the Formal Agreements including the aggregate consideration for the Properties are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF THE FIRST PROPERTY AND THE FOURTH PROPERTY

Pursuant to the First Formal Agreement and the Fourth Formal Agreement, the First Purchaser and the Fourth Purchaser agreed to let the Vendor use the First Property and the Fourth Property for free (except for management fee, government rent, rates, utility charges and other expenses incurred during the relevant period which will be borne by the Vendor) for a period commencing from the completion of the First Formal Agreement and the Fourth Formal Agreement and ending on 6 July 2018. As such, the head office and principal place of business in Hong Kong of the Company will remain as 7th floor, Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong. Further announcement will be made by the Company as and when appropriate when the Company changes its address for the head office and principal place of business in Hong Kong.

REASONS FOR AND BENEFITS OF THE DISPOSALS AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in the retailing of footwear in Hong Kong, the PRC and Taiwan and e-Commerce and e-Payment business.

The Directors expect that the net proceeds from the Disposals of approximately HK\$149,000,000, after deducting property agent commission, legal costs and other disbursements, will be used as to not more than HK\$75,000,000 for the repayment of mortgage loan secured by the Properties and the remaining balance as general working capital of the Group. The Directors consider that the Disposals represent a good opportunity for the Group to dispose of the Properties at a premium and the Disposals can enhance the cashflow of the Group.

On the above basis, the Directors consider that the terms of the Formal Agreements and the Disposals are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSALS

As a result of the Disposals, the Group is expected to record an unaudited gain of approximately HK\$31,270,000, which is estimated based on the gross proceeds from the Disposals of HK\$150,000,000 less the unaudited net asset value of the Properties as at 30 September 2017 of approximately HK\$118,730,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposals (when aggregated) are more than 5% but less than 25%, the Disposals constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

The Company has applied to the Executive and based on the fact that the Potential Purchaser has full knowledge of the Disposals and agreed on the Disposals at a consideration which would be higher than the valuation of the Properties of HK\$118,730,000 as at 31 March 2017, the Executive has granted a waiver from the requirement under Rule 4 (No frustrating action) of the Takeovers Code to obtain Shareholders' approval in a general meeting of the Company to approve the Formal Agreements.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 7 February 2018 pending release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 8 February 2018.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Vestate Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Disposals”	disposals of the Properties by the Vendor to the Purchasers pursuant to the terms and conditions of the Formal Agreements
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates

“First Formal Agreement”	the formal sale and purchase agreement entered into between the Vendor and the First Purchaser on 6 February 2018 in relation to the sale and purchase of the First Property
“First Property”	units 1 to 20 on 7th floor situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong
“First Purchaser”	a company incorporated in Hong Kong with limited liability and the purchaser under the First Formal Agreement
“Formal Agreements”	collectively the First Formal Agreement, the Second Formal Agreement, the Third Formal Agreement and the Fourth Formal Agreement
“Fourth Formal Agreement”	the formal sale and purchase agreement entered into between the Vendor and the Fourth Purchaser on 6 February 2018 in relation to the sale and purchase of the Fourth Property
“Fourth Property”	car parking space L16 on basement situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong
“Fourth Purchaser”	a company incorporated in Hong Kong with limited liability and the purchaser under the Fourth Formal Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Potential Purchaser”	a potential purchaser, who is an independent third party, under the memorandum of understanding dated 28 October 2017 and entered into between Mr. Zhu Xiaojun, an executive Director and chairman of the Board, and the Potential Purchaser in relation to the possible sale of certain number of Shares to the Potential Purchaser
“PRC”	the People’s Republic of China
“Properties”	collectively the First Property, the Second Property, the Third Property and the Fourth Property
“Purchasers”	collectively the First Purchaser, the Second Purchaser, the Third Purchaser and the Fourth Purchaser

“Second Formal Agreement”	the formal sale and purchase agreement entered into between the Vendor and the Second Purchaser on 6 February 2018 in relation to the sale and purchase of the Second Property
“Second Property”	unit 09 on 6th floor situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong
“Second Purchaser”	a company incorporated in Hong Kong with limited liability and the purchaser under the Second Formal Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Third Formal Agreement”	the formal sale and purchase agreement entered into between the Vendor and the Third Purchaser on 6 February 2018 in relation to the sale and purchase of the Third Property
“Third Property”	unit 13 on 6th floor situated at Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong
“Third Purchaser”	a company incorporated in Hong Kong with limited liability and the purchaser under the Third Formal Agreement
“Vendor”	Trunari Enterprises Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Vestate Group Holdings Limited
ZHU Xiaojun
Chairman

Hong Kong, 7 February 2018

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. ZHU Xiaojun
Mr. KANG Jianming
Ms. CAI Jiaying
Mr. YIN Wansun

Independent Non-executive Directors:

Ms. ZHAO Hong
Mr. CHAU Wai Hing
Mr. LEUNG Man Ho

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.