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## **AFFLUENT PARTNERS HOLDINGS LIMITED**

**錢唐控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1466)**

### **MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF PROPERTY**

#### **THE DISPOSAL**

The Board of the Company announces that on 5 December 2019 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Agent entered into the Provisional Agreement pursuant to which the Vendor will sell and the Purchaser will acquire the Property at the Consideration of HK\$53,000,000, subject to the terms and conditions contained in the Provisional Agreement.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

\* For identification purposes only

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders or any of their respective associates have a material interest in the Disposal, thus no Shareholder is required to abstain from voting for the resolution if the Company were to convene the EGM to approve the Disposal.

A circular of the Company containing, amongst other things, details of the Disposal, the notice convening the EGM together with proxy form, and any other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 30 December 2019.

## **THE DISPOSAL**

The Board of the Company announces that on 5 December 2019 (after trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser and the Agent entered into the Provisional Agreement, pursuant to which the Vendor will sell and the Purchaser will acquire the Property at the Consideration of HK\$53,000,000, subject to the terms and conditions contained in the Provisional Agreement.

### **The Provisional Agreement**

**Date** : 5 December 2019 (after trading hours)

**Parties** : (a) the Vendor: Summit Pacific Group Limited;  
(b) the Purchaser: Charm Creative Limited; and  
(c) the Agent.

**Subject matter – Asset to be disposed of** : Pursuant to the terms and conditions of the Provisional Agreement, the Vendor will sell and the Purchaser will acquire the Property at the Consideration of HK\$53,000,000.

The Property is located at the 12<sup>th</sup> Floor, Henan Building, Nos. 90 & 92 Jaffe Road and Nos. 15-19 Luard Road, Hong Kong.

The Property is currently used as the principal place of business of the Company and the headquarters of the Group in Hong Kong.

**Consideration** : HK\$53,000,000

**Terms of payment** : The Consideration will be payable as follows:

- (a) an initial deposit of HK\$2,650,000 was paid by the Purchaser upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$2,650,000 will be paid by the Purchaser upon the execution of the Formal Agreement, which is expected to be on or before 18 December 2019; and
- (c) the balance payment of the Consideration of HK\$47,700,000 will be paid by the Purchaser on Completion, which is expected to be on or before 16 January 2020.

**Formal Agreement** : A Formal Agreement is expected to be entered into between the Vendor and the Purchaser on or before 18 December 2019.

**Completion** : Completion is expected to take place on or before 16 January 2020.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to quotations regarding the market price of the Property obtained from third party agents and the prevailing market price of properties at nearby locations.

Completion of the Disposal is subject to the Shareholders' approval at the EGM.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products and operation of strategic investment and financial services, with the objective to include investments in real estate agency business and real estate investment funds and other potential investment opportunities. The Vendor is principally engaged in property holding.

## **INFORMATION OF THE PURCHASER**

The Purchaser is a company incorporated in Hong Kong with limited liability which is principally engaged in the business of property investment.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group acquired the Property in October 2018, which was subsequently used as the headquarters and principal place of business of the Company in Hong Kong in April 2019. On 5 October 2018, the Company entered into the Outstanding Loan with a third party licensed money lender, pursuant to which the Property was mortgaged to the said licensed money lender as security. A principal amount of HK\$46.5 million with regard to the Outstanding Loan, which should have been settled by 5 October 2019, remains outstanding as at the date of this announcement.

The Disposal represents a good opportunity for the Group to realise the Property's value at a reasonable price. The proceeds from the Disposal will greatly improve the financial position of the Group. The Group intends to utilise all of the net proceeds (being approximately HK\$51.7 million) for the repayment of the loans of the Group, including the entire principal amount the Outstanding Loan, thereby reducing the Group's liabilities and interests expenses.

The Group will look for a new premises as its headquarters and principal place of business after the completion of the Disposal. The Board believes that even with the need to pay rents as a tenant to a leased property occupied for the purpose of the Company's new headquarters and principal place of business, there will be a net reduction of expenses due to the reduction of interests expenses altogether in the long run.

In light of the nature of principal business of the Group, the Board believes that the Disposal will not have material impact on the Group's operation.

The Directors, including the independent non-executive Directors, are of the view that the Disposal and the terms of the Provisional Agreement are on normal commercial terms, are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS**

The Group currently intends to use the net proceeds arising from the Disposal, being approximately HK\$51.7 million (after deducting other expenses in relation to the Disposal), for the repayment of loans of the Group, including the Outstanding Loan.

Based on, inter alia, the Consideration, the unaudited carrying value of the Property as at 30 November 2019 of approximately HK\$68.6 million, and the related expenses for the Disposal, the Group currently expects to record a loss on disposal of approximately HK\$16.9 million upon Completion.

## **GENERAL**

As one or more of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders or any of their respective associates have a material interest in the Disposal, thus no Shareholder is required to abstain from voting for the resolution if the Company were to convene the EGM to approve the Disposal.

A circular of the Company containing, amongst other things, details of the Disposal, the notice convening the EGM together with proxy form, and any other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 30 December 2019.

## DEFINITIONS

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

“Agent”	an independent real estate property agent in Hong Kong
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Director(s)
“Company”	Affluent Partners Holdings Limited (stock code: 1466), a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration of HK\$53,000,000 for the sale and purchase of the Property
“Director(s)”	the director(s) of the Company from time to time
“Disposal”	the sale of the Property as contemplated under the Provisional Agreement
“EGM”	the extraordinary general meeting to be convened and held for the purposes of considering and if thought fit, approving the Disposal

“Formal Agreement”	the formal agreement to be entered into between the Vendor and the Purchaser on or before 18 December 2019 in relation to the Disposal
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“Outstanding Loan”	the loan entered into by the Company with an independent Licensed money Lender on 5 October 2018, pursuant to which the Property was mortgaged as security
“Property”	the property located at the 12th Floor, Henan Building, Nos. 90 & 92 Jaffe Road and Nos. 15-19 Luard Road, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 5 December 2019 (after trading hours) entered into between the Vendor, the Purchaser and the Agent in relation to the Disposal
“Purchaser”	Charm Creative Limited, a company incorporated in Hong Kong with limited liability which is principally engaged in the business of property investment
“Share(s)”	the ordinary share(s) of HK\$0.002 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Shares

“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)
“Vendor”	Summit Pacific Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, principally engaged in the business of property holding
“%”	per cent.

By Order of the Board  
**AFFLUENT PARTNERS HOLDINGS LIMITED**  
**Cheng Chi Kin**  
*Chairman and Executive Director*

Hong Kong, 5 December 2019

*As at the date of this announcement, the Board comprises Mr. Cheng Chi Kin (Chairman), Mr. Leung Alex and Mr. Cheung Sze Ming as executive Directors; and Mr. Lai Yat Yuen, Mr. Lee Kin Keung and Mr. Leung Ka Kui, Johnny as independent non-executive Directors.*