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## **VALUE PARTNERS GROUP LIMITED**

**惠理集團有限公司**

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

**(Stock Code: 806)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE PROPOSED DISPOSAL OF A SUBSIDIARY HOLDING PROPERTY IN HONG KONG**

The Board announces that the Company proposed to dispose its interest in Middle Star, a wholly-owned subsidiary, which is the registered owner of the Property since 28 January 2011. On 5 December 2013, the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company has agreed to dispose of and the Purchaser agreed to purchase the Sale Share and the Sale Loan for an aggregated consideration of HK\$83,472,000 in cash.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Disposal is more than 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

#### **THE SALE AND PURCHASE AGREEMENT**

##### **Date**

5 December 2013

##### **Parties**

Vendor: The Company

Purchaser: Dalumi & Co. Investments Ltd.

The Purchaser is a company incorporated under the laws of Israel engaging in long term property investments. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

##### **Assets to be disposed of**

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire and the Company has agreed to sell the Sale Share and the Sale Loan.

## **Consideration and payment**

The Consideration of HK\$83,472,000 for the Proposed Disposal was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement and with reference to the fair value of investment property held by Middle Star in the current market condition.

The Consideration (subject to adjustments) will be satisfied by the Purchaser as follows:

- (a) as to HK\$8,347,200 (representing 10% of the Consideration), payable in cash as refundable deposit to the Company upon signing of the Sale and Purchase Agreement; and
- (b) as to the remaining balance of HK\$75,124,800 (representing 90% of the Consideration) (subject to adjustments), payable in cash to the Company on Completion.

## **Adjustments of the Consideration**

The Consideration is subject to adjustments for any rental income received attributable to the period after Completion, the rental deposits received that may need to be transferred to the tenant and the management fee deposit paid, which can be refunded to Middle Star or transferred to the future owner of the Property if disposed in the future.

The Company estimated that on Completion, the Consideration will be approximately HK\$82,808,626 after adjustments.

## **Conditions of the Sale and Purchase Agreement and Completion**

Completion is conditional upon:–

- (a) the Company having good title to the Sale Share free from any and all encumbrances, options, liens, charges and pledges on Completion other than the Sale Loan;
- (b) Middle Star having proved title to the Property in accordance with Section 13 of the Conveyancing and Property Ordinance and having given title to the Property in accordance with Section 13A of the Conveyancing and Property Ordinance.

Completion shall take place on or before 20 December 2013 (or such date as may be agreed between the Company and the Purchaser) after the fulfillment or waiver of all the conditions as set out in the Sale and Purchase Agreement.

If the Purchaser shall make and insist on any requisition or objection in respect of the title which in the Company's sole opinion the Company would be (on the grounds of difficulty, delay or expense or on any other reasonable ground) unable to remove or comply with then unless such requisition is withdrawn by the Purchaser, the Company may on giving prior notice annul the sale of the Sale Share and the Sale Loan and return the Deposit to the Purchaser without interest costs or compensation.

If the conditions as set out in the Sale and Purchase Agreement shall not have been fulfilled or waived on or before 19 December 2013 or such other date as may be agreed between the Company and the Purchaser, the Sale and Purchase Agreement would terminate immediately thereafter and the Company would refund the Deposit without interest costs or compensation.

Subject to the above conditions, if the Company fails to proceed with the Proposed Disposal, the Company is required to refund the Deposit and a sum equivalent to the amount of the Deposit as liquidated damages. If the Purchaser failed to proceed to Completion, the Deposit would be forfeited to the Company.

## INFORMATION ON MIDDLE STAR

Middle Star, a company incorporated in Hong Kong, is principally engaged in investment holding activities and is the registered owner of the Property since 28 January 2011. As at the date of this announcement, the Company is directly interested in the entire issued share capital of Middle Star.

The Property is currently subject to tenancy, which will expire on 14 April 2014. Middle Star and the existing tenant are in the process of negotiating the renewal of the tenancy. The current monthly rental income attributable to the Property is HK\$198,246.

Set out below is the audited financial information of Middle Star for the two financial years ended 31 December 2012 extracted from the audited financial statements of Middle Star:

	<b>For the year ended 31 December</b>	
	<b>2012</b>	2011
	<b>HK\$</b>	HK\$
Revenue	<b>2,229,193</b>	1,585,190
Changes in in fair value of investment properties	<b>24,000,000</b>	18,694,061
Profit for the year (before taxation)	<b>26,039,069</b>	20,014,823
Profit for the year (after taxation)	<b>25,701,316</b>	19,796,897
	<b>As at 31 December</b>	
	<b>2012</b>	2011
	<b>HK\$</b>	HK\$
Investment properties	<b>102,000,000</b>	78,000,000
Net (liabilities)/assets	<b>(708,270)</b>	290,414

## REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL AND USE OF PROCEEDS

The Group principally provides investment management services to investment funds and managed accounts.

In view of the current market sentiment of property market in Hong Kong, the Proposed Disposal provides the Group with an opportunity to realize the gain since its acquisition in 28 January 2011 at the purchase cost of about HK\$59.3 million (including stamp duty and agency fee), thereby further enhancing the liquidity of the Group.

Upon Completion, Middle Star will cease to be a subsidiary of the Company and its financial results will not be consolidated into the Group's future financial statements. The Company estimates that it will, as a result, record an estimated fair value loss of approximately HK\$18.5 million, which reflects the difference between the re-valuation of the Property as at December 2012 of HK\$102.0 million and the Consideration. The Company will also realize an accumulated profit of HK\$28.7 million from the disposal of subsidiary.

The proceeds received from the Proposed Disposal will be used as general working capital of the Group.

The Directors are of the view that the terms of the Sale and Purchase Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GENERAL**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Disposal is more than 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of the Directors
“Company”	Value Partners Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“Consideration”	the consideration of HK\$83,472,000 payable by the Purchaser to the Company in respect of the sale of the Sale Share and the Sale Loan, subject to adjustments under the Sale and Purchase Agreement
“Deposit”	the amount of HK\$8,347,200 payable by the Purchaser to the Company under the Sale and Purchase Agreement, being the deposit and part payment of the Consideration
“Director(s)”	the director(s) of the Company
“Group”	the Company together with 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
“Middle Star”	Middle Star Capital Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement and the registered owner of the Property
“Property”	Office Nos. 802B and 803A on 8/F of Tower 1, Admiralty Centre, No. 18 Harcourt Road, Hong Kong
“Proposed Disposal”	the proposed disposal of the Sale Share and the Sale Loan by the Company pursuant to the Sale and Purchase Agreement

“Purchaser”	Dalumi & Co. Investments Ltd., the purchaser of the Sale Share under the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 5 December 2013 entered into between the Company and the Purchaser in respect of the Proposed Disposal
“Sale Loan”	all loans due and owed by Middle Star to the Company as at Completion, all of which are interest free
“Sale Share”	the entire issued share capital of Middle Star beneficially owned by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it in the Listing Rules
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the board of  
**Value Partners Group Limited**  
**TSE Wai Ming, Timothy CFA**  
*Chief Executive Officer and Executive Director*

Hong Kong, 5 December 2013

*As of the date of this Announcement, our Directors are Mr. Cheah Cheng Hye, Ms. Hung Yeuk Yan Renee, Mr. So Chun Ki Louis and Mr. Tse Wai Ming, Timothy as Executive Directors and Dr. Chen Shih Ta Michael, Mr. Lee Siang Chin and Mr. Nobuo Oyama as Independent Non-executive Directors.*