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天行國際(控股)有限公司*
Simsen International Corporation Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 993)

VOLUNTARY ANNOUNCEMENT

The Board announced that the Loan in the sum of HK\$76,000,000 advanced to Make Success on 7 June 2011 by Simsen Capital has been in default. As at the date of this announcement, the total outstanding principal of the Loan attributed to Simsen Capital is HK\$6,000,000. With the consent of Make Success, Power Alliance and China Properties, Simsen Capital, in its capacity as the security agent, entered into the PN Agreement with Spring Sky Limited, which is wholly owned by Mr. Lee Yuk Lun, as the Purchaser to conditionally dispose of the Promissory Note at the consideration of HK\$10,000,000 for the partial settlement of the outstanding Loan and interest accrued thereon.

Reference is made to (1) the announcement of the Company dated 7 June 2011 in relation to the provision of the Loan (the “Announcement”); and (2) the announcement of Mayer Holdings Limited (“Mayer”) dated 16 January 2012 in relation to the writ of summons issued by it in the Court of First Instance of the High Court of Hong Kong on 12 January 2012 (the “Litigation”) against Make Success Limited (“Make Success” or the “Borrower”) for breach of the sale and purchase agreement entered into by Mayer and the Borrower and misrepresentations made by Make Success claiming against Make Success for, among others, an injunctive order restraining the disposal of or dealing with or diminishing the value of the Promissory Note and the Convertible Notes. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 7 June 2011, Simsen Capital Finance Limited, an indirect wholly-owned subsidiary of the Company, (“Simsen Capital” or the “Lender”) entered into the Loan Agreement with the Borrower in relation to the Loan of HK\$76,000,000; and as security for the Loan, the Borrower has executed the PN Assignment and the CN Assignment in favour of the Lender. Pursuant to the PN Assignment and the CN Assignment, the Borrower has respectively assigned to the Lender all its rights, title, interest and benefit in, to and of the Promissory Note and the Convertible Notes free from all encumbrances, charges, mortgages, liens, adverse interest, third party claims, counterclaim or set-off in any way as continuing security for the obligations of the Borrower under the Loan Agreement.

By way of two separate participation agreements/deeds made by the Lender with Power Alliance International Limited (“Power Alliance”) and China Properties Investment Holdings Limited (“China Properties”) respectively on 7 June 2011 and 27 July 2011, Power Alliance and China Properties participated without recourse to the Lender in the Loan for the amount of HK\$28,000,000 and HK\$42,000,000 respectively. Upon completion of the aforesaid loan participations, the total outstanding principal of the Loan attributed to the Lender is HK\$6,000,000 and the Lender holds the security interests in the Promissory Note and the Convertible Notes under the PN Assignment and the CN Assignment respectively for itself and as security agent on behalf of Power Alliance and China Properties such that consents from Power Alliance and China Properties are required before any step with respect to the enforcement of the security interest under the Promissory Note and the Convertible Notes may be undertaken.

* For identification purposes only

As one or more events of default as stipulated under the Loan Agreement have occurred, including the Borrower's failure to repay the Loan and interests accrued thereon in accordance with the terms of the Loan Agreement, on 20 January 2012, the Lender declared, among others, all the security created under the PN Assignment and the CN Assignment to be immediately enforceable. In the premises, the Lender invited bids for the sale of the Promissory Note for the partial settlement of the outstanding Loan.

On 10 February 2012, with the consent of the Borrower, Power Alliance and China Properties, the Lender, in its capacity as the security agent, entered into the sale and purchase agreement (the "PN Agreement") with Spring Sky Limited, as the purchaser (the "Purchaser"), pursuant to which the Lender has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the entire Promissory Note at the consideration of HK\$10,000,000 by way of payment in cash. The Purchaser is a company incorporated in the British Virgin Islands which is wholly owned by Mr. Lee Yuk Lun. The principal activity of the Purchaser is investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Completion of the sale and purchase of the Promissory Note pursuant to the PN Agreement is subject to the following conditions being satisfied:

1. the Litigation instituted by Mayer against the Borrower and Mayer's claim against the Borrower for an injunctive order against the Promissory Note having been fully disclosed to the Purchaser;
2. a disclosure letter with full details and possible consequence(s) of the Litigation having been given by the Lender to the Purchaser on or before the entering into of the PN Agreement; and
3. any requirement(s) or act(s) that is/are required by The Stock Exchange of Hong Kong Limited or any other regulatory authorities to which China Properties is subject having been complied with.

As at the date of this announcement, all the above conditions have been satisfied and the sale and purchase of the Promissory Note has completed.

The consideration for the sale of the Promissory Note, after payment of all the costs and expenses incurred in connection with the enforcement of the security, will be applied for the partial settlement of the Loan and interests accrued thereon pursuant to the terms of the Loan Agreement and will be distributed among the Lender, Power Alliance and China Properties proportionately pursuant to the terms of the participation agreements/deeds.

After completion of the sale of the Promissory Note, the Borrower will continue to be liable for the remaining outstanding balance of the Loan and interests accrued thereon and the security created under the CN Assignment remains enforceable.

In light of the injunctive reliefs claimed by Mayer against the Borrower in relation to the Convertible Notes under the Litigation, the Company will continue to monitor the development closely and will make further announcement of any material information or development of the Litigation as and when appropriate.

By order of the Board
Simsen International Corporation Limited
Fu Jiwen
Executive Director

Hong Kong, 10 February 2012

As at the date of this announcement, the executive Directors are Mr. Ji Xiao Bo (Chief Executive Officer) and Mr. Fu Jiwen, and the independent non-executive Directors are Mr. Zhu Chengwu, Mr. Li Haifeng and Mr. Choi Man Chau, Michael.

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