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精熙國際 (開曼) 有限公司*

YORKEY OPTICAL INTERNATIONAL (CAYMAN) LTD.

(Incorporated in the Cayman Islands with limited liability)

(**Stock code: 2788**)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY**

On 21 July 2016 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor for the acquisition of the Property at a consideration of HK\$42,800,000.

As the Acquisition exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios (as defined in the Listing Rules), the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

INTRODUCTION

The Board is pleased to announce that on 21 July 2016 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreement with the Vendor in respect of the Acquisition. Set out below are the principal terms of the Provisional Sale and Purchase Agreement:

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Date : 21 July 2016

Parties : (i) Land Concept Investment Limited, as vendor
(ii) Yorkey Optical Technology Limited, as purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Property to be acquired

The Property is Workshops 01-09 on 26th Floor & Flat Roof Above the 26th Floor, CRE Centre, No.889 Cheung Sha Wan Road, Kowloon, Hong Kong. The Property is an industrial property with a gross area of approximately 8,854 square feet.

Purchase Price

The purchase price of the Property is HK\$42,800,000 which is payable by the Purchaser to the Vendor in cash in the following manner:

- (a) a deposit in the sum of HK\$4,280,000 shall be paid on or before 25 July 2016;
- (b) the balance in the sum of HK\$38,520,000 shall be paid on or before 30 September 2016.

The purchase price of the Property was determined after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms having taken into account the prevailing market value of similar properties in the same district. It is estimated that the total cost of the Property together with transaction costs such as stamp duty, property agent commission and legal costs will be approximately HK\$46,687,100.

The Acquisition will be funded by general working capital of the Group.

Completion

Completion of the Acquisition is expected to take place on or before 30 September 2016.

INFORMATION ON THE PURCHASER, THE COMPANY AND THE GROUP

The Purchaser is a direct wholly-owned subsidiary of the Company and its principal activity is investment and property holding and trading of plastic and metallic parts and components of optical and optoelectronic products.

The Group is principally engaged in the manufacturing and sales of plastic and metallic parts and components of optical and opto-electronic products and manufacturing and sales of molds and cases, including plastic and metallic parts and components of digital still cameras, action cameras,

copier-based multifunction peripherals and surveillance cameras.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability and its principal activity is producing clothing and garments.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board considers that the Acquisition is a sound investment which could increase the Company's current revenue by leasing out the property and could provide potential capital appreciation opportunity to the Group.

The Board is of the view that the terms of the Provisional Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and that the Acquisition is in the interests of the Group and the shareholders of the Company as a whole.

IMPLICATIONS OF THE LISTING RULES

As the Acquisition exceeds 5% but does not exceed 25% of one or more of the applicable percentage ratios (as defined in the Listing Rules), the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. The Acquisition is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser at a consideration of HK\$42,800,000 pursuant to the terms and conditions of the Provisional Sale and Purchase Agreement
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“Board”	the board of Directors
“Company”	Yorkey Optical International (Cayman) Ltd., 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
“Director(s) ”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	(a) party(ies) who is/are not (a) connected person(s) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Workshops 01-09 on 26th Floor & Flat Roof Above the 26th Floor, CRE Centre, No.889 Cheung Sha Wan Road, Kowloon, Hong Kong
“Purchaser”	Yorkey Optical Technology Limited, a company incorporated in Samoa with limited liability on 12 April 2005 and a direct wholly-owned subsidiary of the Company
“Provisional Sale and Purchase Agreement”	the provisional agreement for sale and purchase entered into between the Purchaser and the Vendor on 21 July 2016 for the acquisition of the Property
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Land Concept Investment Limited

“%” per cent.

By order of the Board
Yorkey Optical International (Cayman) Ltd.
Nagai Michio
Executive Director and CEO

Hong Kong, 21 July 2016

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Lai I-Jen and Mr. Nagai Michio, two non-executive Directors, namely, Mr. Liao Kuo-Ming and Ms. Wu Shu-Ping, and three independent non-executive Directors, namely, Mr. Chiang Hsiang-Tsai, Mr. Chou Chih-Ming and Mr. Wang Yi-Chi.

** For identification purpose only*