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DISCLOSEABLE TRANSACTION: DISPOSAL OF A PROPERTY HOLDING COMPANY

THE SP AGREEMENT

The Board wishes to announce that after trading hours on 19 October 2016, the Company and the Purchaser entered into the SP Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing the entire issued share capital of the Target, at an aggregate cash consideration of HK\$56,500,000.

The Target is principally engaged in investment holding and its principal asset is the Property, which is a commercial unit in Central.

Immediately after Completion, the Target will cease to be a wholly-owned subsidiary of the Company and the Company will cease to have any interest in the Target.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but all percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

* For identification purposes only

The Board wishes to announce that after trading hours on 19 October 2016, the Company and the Purchaser entered into the SP Agreement in respect of the Disposal.

The principal terms of the SP Agreement are set out below:

THE SP AGREEMENT

Date

19 October 2016

Parties

Vendor: the Company

Purchaser: Key Winner Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Jun Yang Financial Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 397).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party.

Assets to be disposed of

The Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing the entire issued share capital of the Target, free from all encumbrances and together with all rights and benefits attaching thereto at any time on or after the date of Completion.

Consideration

The Consideration for the Disposal payable by the Purchaser to the Company is HK\$56,500,000 and shall be payable by the Purchaser to the Company in the following manner:

- (1) as to HK\$5,650,000 (“**Deposit**”) within seven calendar days from the date of signing of the SP Agreement as refundable deposit; and
- (2) as to the remaining balance of HK\$50,850,000 upon Completion.

The Consideration shall be settled by the Purchaser in cash.

The Consideration was arrived at after arm’s length negotiations between the Company and the Purchaser on normal commercial terms principally with reference to a valuation of the Property of HK\$56,500,000 as at 19 October 2016 conducted by an independent professional valuer.

Conditions Precedent

Completion shall be conditional upon the following Conditions Precedent:

- (1) the Purchaser being reasonably satisfied with the results of the due diligence exercise (whether on legal, accounting, financial, operational, properties or other aspects that the Purchaser may consider necessary including but not limited to the Target’s title to the Property) on the Target and its assets, properties, liabilities, activities, operations, prospects and other status which the Purchaser, its agents or professional advisers think reasonably necessary and appropriate to conduct;
- (2) the Company having complied with the requirements under the Listing Rules in respect of the transactions contemplated under the SP Agreement;
- (3) the Purchaser’s holding company, Jun Yang Financial Holdings Limited, having complied with the requirements under the Listing Rules in respect of the transactions contemplated under the SP Agreement;

- (4) the Purchaser being satisfied, from the date of the SP Agreement and at any time before Completion, that the Warranties remain true, accurate and not misleading and that no events have occurred that would result in any breach of any of the Warranties or other provisions of the SP Agreement by the Company;
- (5) there being no Material Adverse Change up to Completion;
- (6) (if applicable) all such waivers, consents or other documents as the Purchaser may require in relation to the completion of the transactions contemplated under the SP Agreement having been obtained; and
- (7) (if applicable) all such waivers, consents or other documents as the Company may require in relation to the completion of the transactions contemplated under the SP Agreement having been obtained.

The Purchaser may waive the Conditions Precedent referred to in paragraphs (1), (4) and (5) above at any time before the Long Stop Date by notice in writing to the Company. Save as aforesaid, none of the other Conditions Precedent above is capable of being waived.

If any of the above Conditions Precedent have not been fulfilled or waived on or before 5:00 p.m. Hong Kong time on the Long Stop Date, all rights and obligations of the parties under the SP Agreement shall cease and terminate, save and except for (i) certain provisions relating to confidentiality, costs and expenses and certain miscellaneous matters shall remain in full force and effect, and no party shall have any claim against the other save for claim (if any) in respect of such continuing provisions or any antecedent breach thereof; and (ii) the Company shall within five business days after the earlier of (a) the Long Stop Date; or (b) the earliest date on which any Condition Precedent above is incapable of being fulfilled refund the Deposit, without interest, to the Purchaser (or it may direct).

Completion

Subject to the fulfillment or waiver (as the case may be) of all the above Conditions Precedent, Completion shall take place within five business days after the last outstanding Condition Precedent above (other than those Conditions Precedent which are only capable of being fulfilled upon Completion) shall have been fulfilled or waived (or such other date as the Company and the Purchaser may agree in writing) on which Completion is to take place.

Immediately after Completion, the Target will cease to be a wholly-owned subsidiary of the Company and the Company will cease to have any interest in the Target.

INFORMATION ON THE TARGET

The Target is a company incorporated in the BVI with limited liability on 12 March 2015. The principal business of the Target is investment holding and its principal asset is the Property, which is a commercial unit in Central and is currently vacant.

The unaudited financial information of the Target for the period from 12 March 2015 (being the date of incorporation of the Target) to 31 December 2015 and the nine months ended 30 September 2016 are set out below:

	For the period from 12 March 2015 to 31 December 2015 <i>HK\$</i> <i>(approximately)</i>	For the nine months ended 30 September 2016 <i>HK\$</i> <i>(approximately)</i>
Profit before taxation	3,654,000	14,000
Profit after taxation	3,616,000	51,000

The unaudited total assets value and the net assets value of the Target as at 30 September 2016 were both approximately HK\$62,522,000.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (i) manufacture and sale of medical device products; (ii) manufacture and sale of plastic moulding products; (iii) provision of public relations services (“**PR Business**”); (iv) provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works (“**Building Contract Works Business**”); (v) money lending business; and (vi) securities investment.

Taking into account (i) the Consideration; and (ii) the unaudited net assets value of the Target as at 30 September 2016 of approximately HK\$61,185,000 (adjusted for the carrying amount of the Property which was occupied by the Group and classified as property, plant and equipment carried at cost less accumulated depreciation, and the related deferred tax liability), it is expected that the Group will recognise a loss in its consolidated income statements of approximately HK\$4,685,000 arising from the Disposal. The actual amount of loss arising from the Disposal to be recognised by the Group will be determined based on the net assets value of the Target as at the date of Completion and will be subject to the review and final audit by the auditors of the Company. It is expected that the net proceeds from the Disposal (after deducting the relevant costs and expenses in connection with the Disposal) will be used for general working capital of the Group and/or future development of the Group and/or funding any potential acquisitions and investments if opportunities arise.

As disclosed in the interim report of the Group for the six months ended 30 June 2016, (i) the Group disposed of the business of provision of human resources management services (“**HR Business**”) in June 2016; (ii) the growth of the PR Business is limited due to lack of customer base and market presence and the Group will slow down its business plan of development and expansion in the PR Business; and (iii) competition in the building construction and maintenance industry remains fierce. As such, it is expected that the Building Contract Works Business and the PR Business will not expand and grow in a pace as expected by the Group. In light of such business plan, it is not cost-effective to relocate the Group’s existing principal place of business in Hong Kong to the Property. In addition, coupled with the uncertainty of property market in Hong Kong, it is uncertain whether the Property will enjoy any future capital appreciation.

Taking into account the uncertainty of property market in Hong Kong, the cessation of the HR Business and the Group's current plan of downsizing the Building Contract Works Business and the PR Business, the Directors consider the Disposal, if materialises, represents an opportunity for the Group to realise its investment in the Target and in substance, the Property, so as to enable the Group to re-allocate more financial resources on future potential investment opportunities and/or working capital of the Group.

The terms of the SP Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal is more than 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	AMCO United Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the SP Agreement

“Condition(s) Precedent”	the condition(s) precedent to the Completion as set out in the paragraph headed “Conditions Precedent” under the section headed “The SP Agreement” in this announcement
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“Consideration”	the aggregate sum of HK\$56,500,000, being the consideration for sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms and conditions of the SP Agreement
“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
“Independent Third Party(ies)”	a party who is not a connected person of the Company and is independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2016 (or such later date as the Company and the Purchaser may agree in writing)
“Material Adverse Change”	any change (or effect) which has a material and adverse effect on the financial position, business or prospects or results of operations, of the Target as a whole
“Property”	Office 503 (also known as Unit 503) on 5th Floor, Wing On House, No. 71 Des Voeux Road Central, Hong Kong

“Purchaser”	Key Winner Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Jun Yang Financial Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 397)
“Sale Shares”	200 issued shares in the share capital of the Target, representing the entire issued share capital of the Target
“Share(s)”	share(s) of the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s)
“SP Agreement”	the sale and purchase agreement dated 19 October 2016 entered into between the Company and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Bonus First Group Limited, a company incorporated in the BVI with limited liability and is wholly owned by the Company as at the date of the SP Agreement, being the subject matter of the Disposal
“Warranties”	the representations, warranties and undertakings given by the Company under the SP Agreement
“%”	per cent.

On behalf of the Board
AMCO United Holding Limited
YIP Wai Lun, Alvin
Chairman and Managing Director

Hong Kong, 19 October 2016

As at the date of this announcement, Mr. Yip Wai Lun, Alvin, Mr. Cheng Kin Chor, Mr. Leung Kelvin Ming Yuen, Mr. Zhang Hengxin, Mr. Peng Shiyuan and Mr. Jia Minghui are the executive Directors; and Mr. Wong Siu Ki, Mr. Chan Ngai Sang Kenny and Mr. Li Kwok Fat are the independent non-executive Directors.