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**HJ Capital (International) Holdings Company Limited**  
**華金國際資本控股有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock code: 982)**

## **DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF PARTIAL INTEREST IN RISING WIN LTD**

On 31 August 2018 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares at a consideration of HK\$12 million.

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but all are less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As the Purchaser is wholly-owned by a director of the Vendor and the Target Company, the Purchaser is a connected person of the Company at the subsidiary level pursuant to Rule 14A.06 of the Listing Rules. As the Board has approved the Disposal, and the independent non-executive Directors have confirmed that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Disposal is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

### **SALE AND PURCHASE AGREEMENT**

#### **Date**

31 August 2018 (after trading hours)

## **Parties**

- (a) Vendor: Miracle View Group Limited
- (b) Purchaser: Silver Melrose Limited

## **Assets to be disposed of**

The Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Shares. The Target Company Group is principally engaged in the provision of financial printing services in Hong Kong. Upon Completion, the Target Company will be owned as to 60% by the Vendor and 40% by the Purchaser, and accordingly, the Target Company will continue to be a subsidiary of the Company and will continue to be accounted for and consolidated in the audited consolidated accounts of the Company.

## **Consideration**

The Consideration, being HK\$12 million, was determined after arm's length negotiations between the Vendor and the Purchaser, taking into account the market value of the entire issued share capital of the Target Company as at 30 June 2018 according to the Valuation Report, the unaudited consolidated net asset value of the Target Company Group as at 31 August 2018 and the financial performance of the Target Company Group. The Consideration shall be settled in full by cash on the Completion Date.

## **Conditions precedent**

The Completion shall be conditional upon the fulfilment or (as appropriate) waiver of each of the following conditions:

- (a) all necessary consents, waivers and governmental approvals required for the entering into or the performance of obligations under the Sale and Purchase Agreement by the Vendor have been obtained and all filings with any Governmental Authorities and other relevant third parties which are required for the entering into and implementation of the Sale and Purchase Agreement have been obtained;
- (b) the Board having approved the Sale and Purchase Agreement and the transactions contemplated thereunder and the independent non-executive Directors having confirmed that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, and that the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole;
- (c) no order or judgment (whether temporary, preliminary or permanent) of any Governmental Authority having been issued or made prior to Completion, and no legal or regulatory requirements remaining to be satisfied, which has the effect of making unlawful or otherwise prohibiting or restricting the transfer of the Sale Shares to the Purchaser (or its affiliates), or any transaction contemplated by the Sale and Purchase Agreement;

- (d) the Warranties given by the Vendor remaining true, accurate and not misleading as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date;
- (e) the Warranties given by the Purchaser remaining true, accurate and not misleading as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date;
- (f) the Shareholders' Agreement having been entered into; and
- (g) the Purchaser being reasonably satisfied with the results of the Due Diligence Review.

The Vendor has the right to waive item (e) above only, while the Purchaser has the right to waive items (d), (f) and (g) above only. If any of the Conditions is not fulfilled or waived (as applicable) on or before the Long Stop Date, the Sale and Purchase Agreement will cease and terminate and all rights and obligations of the Parties thereunder shall cease automatically and neither Party shall have any claim against the other Party save for antecedent breaches.

### **Completion**

Subject to all the Conditions having been fulfilled and/or waived (as applicable), Completion shall take place on the day of satisfaction of all Conditions before the Long Stop Date.

### **INFORMATION ON THE GROUP AND THE VENDOR**

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial advisory services, securities underwriting and consultancy, securities and futures brokerage, equity research business, money lending business and financial printing services in Hong Kong. The Vendor is a direct wholly-owned subsidiary of the Company and is an investment holding company.

### **INFORMATION ON THE PURCHASER**

The Purchaser is an investment holding company incorporated under the laws of the British Virgin Islands and is wholly-owned by Mr. Lau, a director of the Vendor and the Target Company and therefore a connected person of the Company at the subsidiary level pursuant to Rule 14A.06 of the Listing Rules. Save for the foregoing, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser is not in any other way connected with the Company.

### **INFORMATION ON THE TARGET COMPANY**

The Target Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial printing services in Hong Kong. The Target Company is an indirect wholly-owned subsidiary of the Company and an immediate wholly-owned subsidiary of the Vendor.

The unaudited consolidated financial information of the Target Company Group for the two years ended 31 December 2017 and the six months ended 30 June 2018 are set out below:

	<b>For the six months ended 30 June 2018 HK\$</b>	<b>For the year ended 31 December 2017 HK\$</b>	<b>For the year ended 31 December 2016 HK\$</b>
Revenue	61,426,323	111,348,579	155,795,813
Profit/(Loss) before taxation	(9,757,570)	(18,216,852)	16,384,722
Profit/(Loss) after taxation	(9,757,570)	(18,061,786)	13,810,302

As at 30 June 2018, the unaudited consolidated net asset value of the Target Company Group was approximately HK\$20.05 million.

## **REASONS FOR THE DISPOSAL**

The Group is principally engaged in the provision of financial services as well as financial printing services, and aims to secure its sustainable development by improving the overall operational performance of all business segments. Regarding its financial printing business, the Company considers the disposal of the Sale Shares to the Purchaser, a company wholly-owned by Mr. Lau, a director of the Target Company, would be beneficial to the Group because on one hand the Group can remain as the majority shareholder of the Target Company, and on the other hand the interests of the core management of financial printing business will be aligned with that of the Group by becoming a minority shareholder. The management shareholding in the Target Company can secure the continuing commitments and contributions from Mr. Lau to the Target Company Group in the future. Also, the cash proceeds from the Disposal will increase the cash resources of the Target Company Group, allowing the Group to deploy the cash proceeds to financial printing business development and to enhance its competitiveness.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Immediately after completion of the Disposal, the Target Company will continue to be a subsidiary of the Company and the financial results of the Target Company will be consolidated into the Group's financial statements. According to the Valuation Report, the market value of the entire issued share capital of the Target Company was approximately HK\$30,000,000. As a result of the disposal, a gain of approximately HK\$30,000 will be recognized in equity reserves. The actual amount of such gain arising from the Disposal will be subject to the review and final audit by the auditors of the Company.

The cash proceeds from the Disposal of approximately HK\$12 million will remain in the Group and are intended to be used by the Group:

- (a) for development of financial printing services;
- (b) as reserve for future investment (if any); and
- (c) as general working capital.

#### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but all are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As the Purchaser is wholly-owned by a director of the Vendor and the Target Company, the Purchaser is a connected person of the Company at a subsidiary level pursuant to Rule 14A.06 of the Listing Rules. As the Board has approved the Disposal, and the independent non-executive Directors have confirmed that the terms of the Disposal are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the Disposal is exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

#### **GENERAL INFORMATION**

None of the Directors has a material interest in the Disposal and has abstained from voting on the resolutions in relation to the Disposal. The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	HJ Capital (International) Holdings Company Limited (華金國際資本控股有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 982)
“Completion”	the completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Completion Date”	the date on which Completion takes place
“Condition(s)”	the conditions precedent of the Sale and Purchase Agreement as set out in the section title “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of the Disposal, being HK\$12 million
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Due Diligence Review”	the due diligence review the Purchaser may conduct pursuant to the Sale and Purchaser Agreement in respect of the assets, liabilities, operations and affairs of the Target Company
“Governmental Authority”	any government or any government authority, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organization established under statute)
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	30 September 2018 or such other date as the Vendor and the Purchaser may agree in writing
“Mr. Lau”	Mr. Lau Wai Shu, a director of the Vendor and the Target Company and the sole shareholder of the Purchaser
“Parties”	the parties to the Sale and Purchase Agreement, and “Party” means any one of them
“PRC”	the People’s Republic of China
“Purchaser”	Silver Melrose Limited, a company incorporated with limited liability under the laws of the British Virgin Islands and wholly-owned by Mr. Lau
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Sale Shares dated 31 August 2018 and entered into between the Vendor and the Purchaser
“Sale Shares”	80 shares in the Target Company, representing 40% of the entire issued share capital of the Target Company
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	a shareholders’ agreement to be entered into among the Vendor, the Purchaser and the Target company in relation to, among other matters, the affairs, business and management of the Target Company Group and the Target Company’s relationship with each of its shareholders, which shall take effect upon Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Rising Win Ltd, a company incorporated with limited liability under the laws of the British Virgin Islands, and an indirect wholly-owned subsidiary of the Company
“Target Company Group”	the Target Company and its two subsidiaries, namely iOne Financial Press Limited and Guangzhou Zhuozhi Corporate Service Limited Company (廣州卓智企業服務有限公司)

“Valuation Report”	the valuation report prepared by Greater China Appraisal Limited, an independent valuer, adopting the market comparable valuation method in respect of the market value of the entire issued share capital of the Target Company as at 30 June 2018
“Vendor”	Miracle View Group Limited, a company incorporated with limited liability under the laws of the British Virgin Islands, and a direct wholly-owned subsidiary of the Company
“Warranties”	the representations and warranties provided under the Sale and Purchase Agreement

By order of the Board  
**HJ Capital (International) Holdings Company Limited**  
**Li Guangning**  
*Chairman*

Hong Kong, 31 August 2018

*As at the date of this announcement, the Board comprises Mr. Li Guangning (Executive Director and Chairman); Mr. Xie Wei (Executive Director and Chief Executive Officer) and Ms. Guo Jin (Executive Director); Ms. Zhang Kuihong, Mr. Shong Hugo and Mr. Qie Yan (all being Non-executive Directors); Dr. Chen Jieping, Dr. Sun Mingchun and Mr. Tse Yung Hoi (all being Independent Non-executive Directors).*

\* *For identification purpose only*