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## **MING LAM HOLDINGS LIMITED**

### **銘霖控股有限公司**

*(formerly known as Sino Haijing Holdings Limited 中國海景控股有限公司)*

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

**(Stock Code: 01106)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF 80% OF THE ISSUED CAPITAL IN GOLDEN TRUTH ENTERPRISES LIMITED**

### **THE DISPOSAL**

The Board is pleased to announce that on 13 March 2019 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser, entered into the Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sales Shares at the Consideration of HK\$140,000,000.

### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **GENERAL**

To the best of the Directors' Knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Agreement and the transactions contemplated thereunder.

**As Completion is subject to the satisfaction and/or of terms and conditions set out in the Agreement, the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

The Board is pleased to announce that on 13 March 2019 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser, entered into the Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sales Shares at the Consideration of HK\$140,000,000. Details of the Agreement are set out below:

## **THE AGREEMENT**

### **Date**

13 March 2019 (after trading hours)

### **Parties**

- (i) Vendor: Click Smart Limited
- (ii) Purchaser: LanLing International Co., Limited

The Purchaser is a company incorporated in Hong Kong with limited liability and is an investment holding company. To the best of the Directors' Knowledge, information and belief, having made all reasonable enquiries and so far as the Directors are aware, the Purchaser and its beneficial owner(s) are Independent Third Parties.

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

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sales Shares.

### **Consideration**

The Consideration is HK\$140,000,000 shall be satisfied in the following manner:

- (a) HK\$1,000,000.00 shall be paid by the Purchaser to the Vendor on or before 13 May 2019 as the deposit (which on Completion shall form part of the Consideration); and
- (b) the remaining balance in the amount of HK\$139,000,000.00 shall be paid by the Purchaser to the Vendor on Completion Date.

The Consideration shall be effect by the Purchaser delivering to the Vendor on the relevant dates by way of cash, cheque, bank transfer or a cashier order(s) issued by licensed bank(s) in Hong Kong and made payable in favour of the Vendor (or as they may direct) or such other method of payment as the Vendor and the Purchaser may agree from time to time.

The Consideration was arrived at after arm's length negotiation between the parties and was determined with reference to (i) the valuation of the Target Assets as at 12 March 2019 prepared by an independent valuer using depreciated replacement cost method; and (ii) the unaudited net asset value of the Target Group as at 30 June 2018, the Directors consider that the Consideration is fair and is in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent**

Completion shall be conditional upon the fulfillment of the following conditions:

- (a) the Purchaser being satisfied with the results of the legal and financial due diligence conducted by the Purchaser over the Target Group, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financial structure of the Target Group;
- (b) the Purchaser having obtained a legal opinion (in the form and substance to the reasonable satisfaction of the Purchaser) from the PRC legal adviser appointed by the Purchaser in respect of the transactions contemplated under the Agreement, including but not limited to the due incorporation and subsistence of, and the ownership of the equity interest in, Shenzhen Fengwang and Dongxing Pinfeng Yulin;
- (c) the passing of necessary resolution(s) by the Shareholder(s) or the Director(s) in respect of the Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules;
- (d) the obtaining of all consents from government or regulatory authorities or third parties which are necessary in connection with the execution and performance of the Agreement and the transactions contemplated thereunder;
- (e) the Company's warranties shall remain to be true and correct in all material respects and there has not been any material breach of the Company's warranties; and
- (f) the Purchaser have paid the full consideration.

All the above conditions are not waivable except for the condition (a) which may be waived by the Purchaser as its absolute discretion and at any time in writing. If the conditions mentioned above have not been fulfilled or waived on or before the Long Stop Date for whatever reason, the Agreement shall cease and determine, and in such event, the Vendor shall repay the deposit (without interest) to the Purchaser and neither the Company nor the Purchaser shall have any rights, obligations and liability towards each other thereunder save for any antecedent breaches of the terms thereof.

## COMPLETION

On fulfilment or waiver (as the case may be) of the above conditions, Completion shall take place at 4:00 p.m. on the Completion Date at the principal place of business of the Company or such other time and place as the parties may mutually agree.

## INFORMATION ON THE TARGET GROUP

The Target Group comprises the Target Company, Full Sharp Enterprises, Shenzhen Fengwang and Dongxing Pinfeng Yulin. Each of Full Sharp Enterprises, Shenzhen Fengwang and Dongxing Pinfeng Yulin are direct and indirect wholly-owned subsidiaries of the Target Company.

The Target Company is a company incorporated in British Virgin Islands. The Company acquired the Sales Shares of the Target Company on 12 July 2016 and then the Company owns 80% of the equity interest of the Target Company. The Target Group is principally engaged in scenic spot investment & management business etc in Guangxi Province. As at the date of this announcement, the principal investment of the Target Group is the Target Assets.

The audited financial information of the Target Group for the period from 12 July 2016 to 31 December 2016 and year ended 31 December 2017 and the unaudited financial information for the period the six months ended 30 June 2018 are set out below:

	<b>For the period from 12 July 2016 to 31 December 2016 <i>HK\$'000</i> (audited)</b>	<b>For the year ended 31 December 2017 <i>HK\$'000</i> (audited)</b>	<b>For the six months period ended 30 June 2018 <i>HK\$'000</i> (unaudited)</b>
Revenue	3,073	9,147	899
Net loss before tax	24,525	4,425	7,596
Net loss after tax	24,525	4,530	7,596

The unaudited net asset value of the Target Group as at 30 June 2018 was approximately HK\$135,767,000.

## **FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

After Completion, the Company will have no interest in the issued share capital of the Target Company and the Target Company will cease to be a subsidiary of the Company. Therefore, the financial information of the Target Company will no longer be consolidated into the accounts of the Company.

The Company is expected to record a gain on Disposal. For illustrative purpose, based on (i) the carrying amount of the Target Group as at 30 June 2018 of approximately HK\$135,767,000; (ii) the Consideration of HK\$140,000,000; and (iii) the estimated professional fees attributable to the Disposal of approximately HK\$200,000, it is expected that the Company will record gain (before considering any tax impact) of approximately HK\$4,033,000 from the Disposal, and the gain on Disposal would be recognized in the consolidated statement of profit or loss and other comprehensive income upon Completion. However, the actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the final audit by the auditor of the Company.

The net proceeds from the Disposal will be approximately HK\$139,800,000, after taking into account the related transaction costs of approximately HK\$200,000.

The Company intends to utilize the cash consideration generated from the Disposal as general working of the Group.

## **REASONS AND BENEFITS OF THE DISPOSAL**

The Group is principally engaged in the manufacturing and sale of packaging materials, tourism and travel business, securities trading and other investing activities, and money lending business.

The Directors are of the view that the Disposal represents a good opportunity for the Group to unlock the value of the Target Group such that more financial resources can be allocated to other investment opportunities with better prospects and support the operation of the Group's core businesses.

In view of the above, the Directors are of the view that the terms of the Disposal are fair and reasonable, which have been arrived at after arm's length negotiations and are in the interests of the Company and the Shareholders as a whole, and will not have a material impact on the Company's operations.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but are below 25%, the Disposal constitutes a disclosable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Agreement and the transactions contemplated thereunder.

**As Completion is subject to the satisfaction and/or waiver of terms and conditions set out in the Agreement, the Disposal may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms and expressions shall have the following meanings when used herein:

“Agreement”	the sale and purchase agreement dated 13 March 2019 and entered into by the Vendor and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong) on which banks in Hong Kong are generally open for business
“Company”	Ming Lam Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of Stock Exchange (stock code: 1106)
“Completion”	completion of the Disposal pursuant to the Agreement
“Completion Date”	on or before the seventh Business Day following the satisfaction of the conditions precedent to the Agreement or any other day as may be agreed by the parties in writing
“Consideration”	the consideration in the sum of HK\$140,000,000 for the Disposal under the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms and conditions of the Agreement

“Dongxing Pingfeng Yulin”	Dongxing Pingfeng Rainforest Scenic Spot Investment Company Limited*(東興屏峰雨林景區投資有限公司), a company incorporated in the PRC on 7 March 2013 with limited liability and is an indirect wholly-owned subsidiary of the Target Company
“Full Sharp Enterprises”	Sharp Full Enterprises Limited(豐旺企業有限公司), a company incorporated in Hong Kong on 14 October 2015 with limited liability and is a wholly-owned subsidiary of the Target Company
“Group”	the Company and its subsidiaries (from time to time)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons
“Long Stop Date”	180 calendar days after the date of the Agreement or such other later date as shall be agreed by the Company and the Purchaser in writing
“PRC”	the People’s Republic of China, and for the purpose of this announcement, which shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Purchaser”	LanLing International Co., Limited, a company incorporated in Hong Kong
“Sales Shares”	80% of the issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.0125 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the share(s) of the Company

“Shenzhen Fengwang”	Shenzhen Fengwang Cultural Development Company Limited* (深圳豐旺文化發展有限公司), a company incorporated in the PRC on 23 December 2015 with limited liability and is an indirect wholly-owned subsidiary of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sq. km”	Square Kilometers
“Target Company”	Golden Truth Enterprises Limited
“Target Assets”	the Dongxing Bingfeng Rainforest Scenic Spot* (東興屏峰雨林景區) situated at Ping Feng Village in Guangxi Province with a total site area of approximately 20.613 sq. km.
“Target Group”	Target Company and its subsidiaries
“Vendor”	Click Smart Limited, a company incorporated in the British Virgin Islands with limit liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of PRC
“%”	per cent.

By order of the Board  
**Ming Lam Holdings Limited**  
**Li Zhenzhen**  
*Chairman*

\* *For identification purpose only*

Hong Kong, 13 March 2019

*As at the date of this announcement, the Board comprises of Ms. Li Zhenzhen, Mr. Lam Wai Hung, Mr. Wang Xin and Mr. Wei Liyi as the executive Directors; Mr. Lee Tao Wai, Mr. Lam Hoi Lun and Ms. Lee Yin Ting as the independent non-executive Directors.*

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