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**Hong Kong Education (Int'l) Investments Limited**

**香港教育（國際）投資集團有限公司**

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

**(Stock Code: 1082)**

**DISCLOSEABLE TRANSACTION:  
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF  
THE TARGET**

The Board wishes to announce that on 22 January 2014 (after trading hours), the Vendor, the Company as the Vendor's guarantor and the Purchaser entered into the Agreement, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target, at the Consideration of HK\$35,400,000 (subject to adjustment).

**IMPLICATIONS UNDER THE LISTING RULES**

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

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The principal terms of the Agreement are set out below:

## **THE AGREEMENT**

### **Date**

22 January 2014

### **Parties**

- (1) The Vendor is a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company.
- (2) The Purchaser is a company incorporated in the BVI with limited liability. To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, (i) each of the Purchaser and its ultimate beneficial owners is a third party independent of the Company and the connected persons of the Company; and (ii) the Purchaser is principally engaged in investment holding.
- (3) The Company, as the Vendor's guarantor.

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

The Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target, free from all encumbrances together with all rights and benefits of any nature now or thereafter attaching thereto, including all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion Date.

### **Consideration**

The Consideration is HK\$35,400,000 (subject to adjustment) and shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a deposit of HK\$3,540,000 ("**Deposit**") shall be paid to the Vendor upon the execution of the Agreement; and
- (2) the balance of the sum of HK\$31,860,000 shall be paid to the Vendor or such party as directed by the Vendor on the Completion Date.

The Consideration shall be subject to adjustment based on the Completion Accounts by adding the aggregate amount of the current assets of the Target Group as at the Completion Date including the utility deposits, transferrable funds and prepayment of the Properties, rent, other moneys receivable by Platinum Success pursuant to the Leases prior to the Completion Date (inclusive of the Completion Date), cash and bank balance (if any), and deducting the aggregate amount of the liabilities (if any) of the Target Group as at the Completion Date including rates, government rent and other expenses due and not paid in relation to the Properties for the period up to and inclusive of the Completion Date.

If the Purchaser shall make and insist on any objection or requisition in respect of the title to the Properties which the Vendor shall be unable or (on the ground of difficulty delay or expense or on any other reasonable ground) unwilling to remove or comply with, or if the title of the Vendor would be defective, the Vendor may give to the Purchaser or the Purchaser's solicitors not less than 5 Business Days' notice in writing to annul the Disposal. Unless such objection or requisition is withdrawn, the Disposal shall at the expiration of the notice be annulled and the Deposit shall be refunded by the Vendor to the Purchaser within 7 days upon demand, without interest.

### **Basis of the Consideration**

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to, among others, the valuation of the Properties of HK\$35,400,000 as at 18 December 2013 conducted by an independent professional valuer.

### **Conditions Precedent**

Completion shall be conditional upon:

- (1) the Purchaser being reasonably satisfied with the results of the due diligence review of the Target Group;
- (2) on or before Completion, the Vendor shall prove, show and give a good title to the Properties in accordance with the terms of the Agreement;

- (3) the Vendor shall procure at its own cost and expenses the discharge by Platinum Success of the Existing Security on or before Completion provided that the Purchaser shall not require the production or delivery of the Existing Security and the release/discharge of the Properties from the Existing Security on Completion but shall accept the undertaking from the Vendor's solicitors to deliver the Existing Security and the release/discharge of the Properties from the Existing Security within twenty-one (21) days from the Completion Date in accordance with the usual undertakings recommended by the Law Society of Hong Kong for conveyancing transaction;
- (4) save and except the interest under the Existing Security and the Leases, there is no third party (whether related or otherwise) has any right or interest whatsoever whether legal or equitable, in the Properties or any interest thereof and Platinum Success has the sole absolute right and interest in the Properties;
- (5) all representations and warranties given by the Vendor and the Company under the Agreement remaining true and accurate in all material respects and not misleading as if the representations and warranties are repeated by the Vendor and the Company at all times from the date of the Agreement to the Completion Date.

The Purchaser may waive the above Conditions Precedent (other than paragraphs (3) and (4) above) by written notice to the Vendor's solicitors.

If any of the Conditions Precedent has not been fulfilled or waived (as the case may be) on or before the Completion Date, then the Deposit and/or any payment made to the Vendor under the Agreement shall forthwith be returned by the Vendor to the Purchaser in full but without any compensation or costs and if that return is made within 7 days, without interest and thereafter the Agreement shall lapse and no party to the Agreement shall have any liability under the Agreement (without prejudice to the rights of the parties to the Agreement in respect of any antecedent breaches).

### **Completion**

Subject to all the Conditions Precedent being fulfilled or waived, Completion shall take place at or before 1:00 p.m. on the Completion Date. Immediately after Completion, each member of the Target Group will cease to be a wholly-owned subsidiary of the Company.

It is also a term of the Agreement that the Vendor and the Company shall execute a deed of tax indemnity in respect of the tax liabilities of the Target Group (if any) in favour of the Purchaser.

## INFORMATION ON THE TARGET

The Target is a company incorporated in the BVI with limited liability and the principal business of the Target is investment holding. The Target is wholly-owned by the Vendor.

The Target owns the entire issued share capital of Platinum Success, a company incorporated on 5 June 2012 in Hong Kong with limited liability. The principal business of Platinum Success is investment holding and its principal assets are the Properties, which are currently leased to third parties independent of the Company at an aggregate monthly rental of HK\$97,400 (exclusive of management fee, government rates and other outgoings).

The unaudited consolidated financial information of the Target Group for the two years ended 30 June 2013 are set out below:

	<b>Year ended 30 June 2013</b>	<b>Year ended 30 June 2012</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	1,012	1,589
Net profit (loss) before taxation	6,043	(8,663)
Net profit (loss) after taxation	5,605	(8,724)

*Note:* During the year ended 30 June 2012, the Target held 100% interest in Core Medical Technology Limited (“**Core Medical**”) which held the Properties. In July 2012, the Properties were transferred to Platinum Success by Core Medical and the Target disposed of 100% interest in Core Medical to an independent third party thereafter. Core Medical was principally engaged in investment holding and provision of diagnostic testing and healthcare services. During the year ended 30 June 2012, the revenue attributable to the Properties (which were rental income) amounted to approximately HK\$876,000.

The unaudited consolidated total asset value and net asset value of the Target Group as at 31 December 2013 were approximately HK\$34,089,000 and HK\$33,784,000 respectively.

## INFORMATION ON THE GROUP

The Group is principally engaged in the provision of private education services, investment in securities and property investments.

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

The Group expects to recognise an unaudited accounting gain of approximately HK\$1,400,000 from the Disposal, being the difference between the Consideration and the estimated unaudited consolidated net asset value of the Target Group recorded in the Group's accounts at Completion. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the Company's auditors.

The Directors expect that the proceeds from the Disposal to be received by the Group, after deducting the expenses directly attributable thereto, will be used for existing or future business development of the Group.

The Directors consider that the Disposal represents an opportunity for the Group to realise its investment in the Target Group, which hold the Properties. The Directors are of the view that the terms of the 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 relevant percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements of Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Agreement”	the agreement dated 22 January 2014 entered into between the Vendor, the Company and the Purchaser in relation to the Disposal
“associates”	has the meaning as ascribed thereto in the Listing Rules

“Board”	the board of Directors
“Business Day(s)”	any day(s) (except any Saturday, Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“Company”	Hong Kong Education (Int’l) Investments Limited, a company incorporated in the Cayman Islands with limited liability and the issued 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 Agreement
“Completion Account”	the unaudited consolidated accounts of the Target Group comprising the consolidated balance sheet of the Target Group as at the Completion Date and the consolidated income statement of the Target Group for the period commencing from 1 July 2013 to the Completion Date
“Completion Date”	on or before 31 March 2014 (or such other date as the parties hereto may agree in writing) on which Completion is to take place
“Conditions Precedent”	the conditions precedent to which the Completion is subject as set out in the paragraph headed “Conditions Precedent” under the section headed “The Agreement” above

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser for the Sale Shares under the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares
“Existing Security”	all charges and mortgages over the Properties
“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
“Leases”	the existing tenancy agreements in respect of the leasing of the Properties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Accounts”	the unaudited consolidated balance sheet of the Target Group made up to 31 December 2013 and the unaudited consolidated profit and loss account of the Target Group for the period commencing from 1 July 2013 to 31 December 2013
“Platinum Success”	Platinum Success Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target



“Properties”	two properties located at Flat A on 12th Floor, Champion Building, Nos. 301-309 Nathan Road, Kowloon and Flat K on 9th Floor, Champion Building, Nos. 301-309 Nathan Road, Kowloon, with a total gross floor area of approximately 2,690 square feet
“Purchaser”	a company incorporated in the BVI with limited liability
“Sale Shares”	the 100 ordinary shares of US\$1.00 each in the share capital of the Target, representing the entire issued share capital of the Target
“Share(s)”	shares of the Company of HK\$0.10 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Achieved Success Company Limited, a company incorporated in the BVI with limited liability, which as at the date of this announcement, is wholly-owned by the Vendor
“Target Group”	the Target and its subsidiary, Platinum Success
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Rosy Lane Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company

By order of the Board  
**Hong Kong Education (Int’l) Investments Limited**  
**Lee Wai Lok, Ignatious**  
*Executive Director*

Hong Kong, 22 January 2014

*As of the date of this announcement, the executive Directors are Mr. Wong Yuk Tong, Mr. Lee Wai Lok, Ignatious and Ms. Wu Mei Chu and the independent non-executive Directors are Mr. Kwok Shun Tim, Ms. Chan Lai Yee and Mr. Lee Shu Fai.*