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MILAN STATION HOLDINGS LIMITED

米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

On 29 March 2017 (after trading hours), the Vendor and the Purchaser entered into the Acquisition Agreement pursuant to which the Vendor agreed to sell to the Purchaser and the Purchaser agreed to purchase from the Vendor the Sale Shares, representing the entire issued share capital of the Target Company, at Consideration of HK\$1,700,000.

LISTING RULES IMPLICATIONS ON THE ACQUISITION

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements.

As the Acquisition Agreement may or may not be completed, the Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

THE ACQUISITION AGREEMENT

Date

29 March 2017 (after trading hours)

Parties

Vendor: Allied Honest Investment Limited

Purchaser: Blossom Fame Limited

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

Asset to be Acquired

Subject to and in accordance with the terms and conditions of the Acquisition Agreement, the Purchaser has conditionally agreed to purchase from the Vendor and the Vendor has conditionally agreed to sell to the Purchaser the Sale Shares, representing the entire issued share capital of the Target Company as at the date of this announcement. The Target Company is principally engaged in the money lending business focusing primarily on providing short-term and long-term property mortgage loans to customers to meet their financial needs. Further details is set out in the section headed "Information of the Target Company".

Consideration

The Consideration for the Sale Shares is in the amount of HK\$1,700,000. The Consideration shall be payable by the Purchaser in cash in favour of the Vendor (or his nominee(s) as he may direct) upon Completion Date (or such other date as agreed by the parties);

The Consideration was determined based on arm's length negotiations between the Vendor and the Purchaser with reference to (i) the historical operating and performance of the Target Company and (ii) the business and growth prospects of the Group after the Acquisition.

Condition Precedent

Completion shall be conditional in all respects upon:–

- (i) the Purchaser being reasonably satisfied with the results of the due diligence review to be conducted on the Target Company;
- (ii) key members of the existing management of the Target Company continuing to be employed at Completion Date and, in particular, the directors of the Target Company at the date of the Agreement to enter into a two years services contract with the Company on terms acceptable to the Purchaser;
- (iii) the warranties remaining true and accurate in all respects;
- (iv) the Vendor agrees not to receive any sums of monies, debts and liability owing or incurred, due but unpaid to the Vendor from the Target Company until all sums of monies and receivables owing to the Target Company as at Completion Date has satisfied.
- (v) no material adverse change having occurred to the business, assets, financial position and performance of the Target Company.

Completion

Completion shall take place within 7 business days after the fulfillment of all the conditions set out in the Acquisition Agreement, or such later date as the Vendor and the Purchaser may agree in writing.

Upon Completion, the Purchaser will own the entire equity interest in the Target Company and the Target Company will become wholly-owned subsidiary of the Group. The financial results of the Target Company will be consolidated in the Group from the Completion Date onwards.

INFORMATION OF THE TARGET COMPANY

The Target Company is a limited company established in Hong Kong whose principally engaged in the money lending business.

A summary of the financial information of the Target Company is set out below:

	For the year ended 31 March 2016 <i>HK\$'000</i> (audited)	For the year ended 31 March 2015 <i>HK\$'000</i> (audited)
Revenue	4,154	2,703
Net profit (before taxation and extraordinary items)	3,037	1,763
Net profit (after taxation and extraordinary items)	2,556	1,493

As at 31 December 2016, 31 March 2016 and 2015, the Target Company had net assets of approximately HK\$1,291,000 (unaudited), HK\$5,044,000 (audited) and HK\$2,487,000 (audited) respectively.

REASONS FOR THE ACQUISITION

The principal activity of the Company is investment holding. The Group is principally engaged in retailing of handbags, fashion accessories and embellishments and spa and wellness products.

In order to broaden the Group's revenue source, enhancing the performance of the Group, creating value for the Shareholders and increasing Shareholders' return. The Group has been actively seeking various investment opportunities. The Directors considered that the Acquisition can broaden the Group's revenue source and leveraged with the existing business including but not limited to granting of handbag loans and mortgage loans. The Directors are of the view that after the Acquisition, the Target Company will contribute positively to the financial performance and will enlarge the income sources of the Group.

The Directors consider that the Acquisition Agreement was entered into after arm's length negotiation between the Purchaser and the Vendor and the terms therein are on normal commercial terms and the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS ON THE ACQUISITION

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is 5% or more and all the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As the Acquisition Agreement may or may not be completed, the Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire issued share capital of the Target Company pursuant to the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase Acquisition Agreement dated 29 March 2017 made between the Purchaser and the Vendor related to the sale and purchase of the entire issued share capital of the Target Company
“Board”	the board of Directors
“Company”	Milan Station Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange.
“Completion”	Completion of the sale and purchase of the Sale Shares under the Acquisition Agreement
“Completion Date”	means the date on which the completion takes place which is expected to be on or before 30 April 2017 (or such other date as the parties hereto may agree in writing)
“Consideration”	HK\$1,700,000 payable by the Purchaser to the Vendor pursuant to the Acquisition Agreement.
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Blossom Fame Limited, a company incorporated in British Virgin Islands and a wholly owned subsidiary of Milan Station Holdings Limited
“Sale Shares”	2 shares in the capital of the Target Company, representing the entire issued share capital of the Target Company.
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Brenda Enterprises Limited, a licensed money lender that is regulated under the Money Lenders Ordinance in Hong Kong
“Vendor”	Allied Honest Investment Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
Milan Station Holdings Limited
YIU Kwan Tat
Chairman

Hong Kong, 29 March 2017

As at the date of this announcement, the Board comprises Mr. YIU Kwan Tat, Mr. YIU Kwan Wai, Gary, Mr. CHOI Wai Kwok, Andy, Mr. HU Bo and Ms. CAO Huiquan as Executive Directors; Mr. CHAN Chi Hung, Mr. TOU Kin Chuen and Mr. CHAU Shing Yip Colin as Independent Non-executive Directors.