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**K & P International Holdings Limited**

**堅寶國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 675)**

**DISCLOSEABLE TRANSACTION  
PURCHASE OF EQUIPMENT**

On 25 August 2014, the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Equipment at the Consideration in accordance with the terms and conditions of the Agreement.

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules for the Purchase exceeded 5% but was less than 25% as at the date of Agreement, the Purchase constituted a discloseable transaction of the Company, and was therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

**THE AGREEMENT**

**Date**

25 August 2014

**Parties**

- (1) Purchaser; and
- (2) Vendor.

**Assets to be purchased**

Pursuant to the Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell the Equipment at the Consideration in accordance with the terms and conditions of the Agreement.

The assets to be purchased pursuant to the Agreement comprise 30 units of injection moulding machines (注塑機) and ancillary equipment including forming machine (成形機), mechanical manipulator (機械手) and dryer (乾燥機), etc. (together, the “**Equipment**”), which the Company understands were used and owned by the Vendor prior to the Purchase, for use in the Group’s ordinary course of business.

### **Consideration**

The consideration for the sale and purchase of the Equipment is RMB14,300,000 (approximately HK\$18,018,000) (the “**Consideration**”), which shall be settled in cash by the Purchaser to the Vendor in the following manner:

- (1) the amount as to RMB4,290,000 (approximately HK\$5,405,400) (being 30% of the Consideration) has been paid by the Purchaser to the Vendor before 28 August 2014;
- (2) the amount as to RMB5,720,000 (approximately HK\$7,207,200) (being 40% of the Consideration) shall be paid by the Purchaser to the Vendor before 29 September 2014; and
- (3) the amount as to RMB4,290,000 (approximately HK\$5,405,400) (being the remainder of the Consideration) shall be paid by the Purchaser to the Vendor before 31 October 2014.

The Consideration is inclusive of the relevant PRC tax and in the event that the actual amount of tax payable is less than 4%, the Vendor shall refund the relevant excessive amount to the Purchaser.

The Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser and on normal commercial terms, taking into account the prices of similar equipment in the second hand market.

### **Other terms**

The Vendor shall deliver the entire Equipment to the Purchaser on the first business day after the receipt of the entire amount of the Consideration from the Purchaser.

If the Vendor fails to deliver the Equipment to the Purchaser in accordance with the terms of the Agreement, the Vendor shall pay a daily compensation in the amount of 0.3% of the value of the part of Equipment which is not so delivered to the Purchaser, and the Purchaser shall have the right to request the Vendor to continue to perform the Agreement. If the Vendor fails to deliver the Equipment within 30 days, the Purchaser shall have the right to terminate the Agreement and the Vendor shall refund the amount of Consideration it has already received to the Purchaser, together with an amount being 10% of the Consideration.

If the Purchaser fails to pay the Consideration in accordance with the terms of the Agreement, it shall pay a daily compensation in the amount of 0.3% of the part of the Consideration due to the Vendor and if the payment is due more than 30 days, the Vendor shall have the right to terminate the Agreement and the Purchaser shall pay the amount being 10% of the Consideration to the Vendor.

## **INFORMATION ON THE GROUP AND THE PURCHASER**

The Group is principally engaged in the manufacture and sale of precision parts and components (comprising keypads, synthetic rubber and plastic components and parts and liquid crystal displays), and the design, manufacture and sale of consumer electronic products (comprising time, weather forecasting and other products).

The Purchaser is principally engaged in the manufacture and sale of precision parts and components.

## **INFORMATION ON THE VENDOR**

The Company understands that the Vendor is a company established in the PRC and its principal activity is manufacture and sale of plastic products.

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

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

The Group is principally engaged in the manufacture and sale of precision parts and components (comprising keypads, synthetic rubber and plastic components and parts), and the design, manufacture and sale of consumer electronic products (comprising time, weather forecasting and other products) and Equipment shall be used in the manufacture of precision parts and components and would increase the productivity of the Group. In view of the quality and price of the Equipment, the Company believes that the Purchase represents an appropriate opportunity for the Group to further strengthen its production facilities, which is in line with the Group's policy of development and expansion of its business.

The Directors believe that the terms of the Agreement are fair and reasonable and that the entering into of the Agreement is in the interests of the shareholders of the Company as a whole.

The Company did not publish an announcement at the time of execution of the Agreement pursuant to the applicable provisions of Chapter 14 of the Listing Rules due to an inadvertent oversight by reason of the fact that the Equipment, being previously used and owned manufacturing equipment, was purchased for the purpose of the ordinary course of business of the Group only. The management took immediate steps to comply with the requirements under the Listing Rules upon becoming aware of the fact that the Purchase constituted a discloseable transaction. The Company takes its internal control efforts and its obligations under the Listing Rules very seriously, and has since issued an internal notice to all management staff reminding them of the importance of observing the internal control procedures regarding notifiable transactions with a view to ensuring that similar incidents will not occur in the future.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Chapter 14 of the Listing Rules for the Purchase exceeded 5% but was less than 25% as at the date of Agreement, the Purchase constituted a discloseable transaction of the Company, and was therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Agreement”	the equipment transfer agreement entered into between the Vendor and the Purchaser on 25 August 2014 in respect of the Purchase
“Board”	the board of Directors
“Company”	K & P International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	has the meaning ascribed thereto under the section headed “The Agreement - Consideration” in this announcement
“Directors”	the director(s) of the Company
“Equipment”	has the meaning ascribed thereto under the section headed “The Agreement - Assets to be purchased” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchase”	the purchase of the Equipment by the Purchaser in accordance with the terms and conditions of the Agreement
“Purchaser”	中穎（中山）電子有限公司 (Hi-Tech (Zhongshan) Electronics Co., Ltd.*), a company established in the PRC being an indirect wholly owned subsidiary of the Company and the purchaser under the Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” 中山木村塑膠有限公司 (Zhongshan Mucun Plastic Co., Ltd.\*),  
a company established in the PRC and the vendor under the  
Agreement

“%” per cent.

*In this announcement, the Hong Kong dollar amounts have been translated from RMB at the rate of RMB1.00 to HK\$1.26. Such translation is for the convenience of the readers only. No representation is made that the RMB amounts have been, could have been or could be, converted into Hong Kong dollars or vice versa, at such rate or at any other rates on any relevant dates.*

On behalf of the Board  
**K & P International Holdings Limited**  
Lai Pei Wor  
Chairman

Hong Kong, 19 September 2014

*As at the date of this announcement, the Board comprises Messrs. Lai Pei Wor and Chan Yau Wah (being executive directors) and Messrs. Kung Fan Cheong, Leung Man Kay and Li Yuen Kwan, Joseph (being independent non-executive directors).*

\* For identification purpose only