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## **ANEX INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 723)

### **DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY BY SUBSIDIARY IN HONG KONG**

On 11 April 2005, the Vendor entered into the Sale & Purchase Agreement with the Purchaser for the Disposal of the Property for cash consideration of HK\$2.3 million. The Disposal was completed on 18 May 2005.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

A circular containing details of the Disposal will be despatched to the shareholders of the Company within 21 days after the date of this announcement.

#### **THE DISPOSAL**

##### **The Sale & Purchase Agreement**

On 11 April 2005, the Vendor entered into the Sale & Purchase Agreement with the Purchaser to dispose of its interests in the Property for cash consideration of HK\$2.3 million.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

The following is a summary of the principal terms of the Sale & Purchase Agreement:

Property: Factory Unit C, 10th Floor, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong

Date: 11 April 2005

Vendor: Anex Electrical Company Limited, a wholly owned subsidiary of the Company

Purchaser: Mr. Wong Kung Yue, who is an Independent Third Party

Consideration: HK\$2,300,000.00 paid in the following manner:

HK\$230,000.00 paid as deposit on 14 April 2005

HK\$2,070,000.00 paid on the Completion Date as balance of the purchase price for the Disposal

Completion: The completion of the Disposal took place on the Completion Date.

### **The Property**

The Property is located at Flat 10C, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong.

The Property was acquired by the Group in 18 August 1990 for the Group's own use and is freely transferable and can be used for industrial purposes and was previously occupied by the Company for use as office space until the Disposal.

The Disposal has resulted in a book loss of approximately HK\$26,117.00 for the year ending 31 March 2006.

## **REASONS FOR THE DISPOSAL AND USE OF PROCEEDS**

The Group is principally engaged in the design and manufacture of electrical appliances and the trading of merchandise.

The consideration for the Property was arrived at pursuant to arm's length negotiations between the parties having regard to the book value of the Property as well as the property market in Hong Kong. Having also considered the price offered by the Purchaser the Board saw it as a good opportunity to realise the Property so that the Company's assets could be utilised in a more effective way and which would assist in reducing the gearing levels of the Company and reduce interest expenses. The proceeds realised has been applied as general working capital of the Group.

The consideration for the Disposal amounting to HK\$2,300,000 is the same as the aggregate audited book value of the Property which was HK\$2,300,000.00 as at 31 March 2005.

Taking into account the abovementioned factors, the Directors are of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

### **GENERAL**

The Disposal under the Sale & Purchase Agreement constitutes a discloseable transaction under Rule 14.08 of the Listing Rules.

The Company made two announcements on 12 September 2005 and 9 November 2005 respectively pursuant to Rule 13.10 of the Listing Rules confirming, among other things, that there were no agreements relating to intended acquisitions or realisations which were discloseable under Rule 13.23 of the Listing Rules (the "Statements"). Whilst the Sale & Purchase Agreement was signed on 11 April 2005, the Board was not aware that the Disposal constituted a discloseable transaction under Chapter 14 of the Listing Rules as only the consideration ratio exceeded the 5% threshold, while all other ratios fell below the disclosure threshold, as such the disclosure obligation was inadvertently

overlooked. In making the Statements, the Board as constituted at the relevant times, genuinely believed that the Statements were accurate at the time of making the same. The Company only became aware that the Disposal constituted a discloseable transaction upon reviewing the Group's records of transactions in early December 2005.

The Company notes that the inadvertent omission on part of the Board as constituted at the time of the transaction in question to disclose the details of the Disposal constitutes a breach of Rule 14.34 of the Listing Rules. The Company will take remedial action to avoid recurrence in the future by taking all relevant and appropriate steps to strengthen the internal compliance system of the Company. In particular, for all future transactions, the Company will carefully review and calculate the applicable size tests to ensure compliance with the Listing Rules. The Stock Exchange has indicated that it will look into the matter and may take appropriate course of action as necessary.

A circular containing details of the Disposal will be despatched to shareholders of the Company within 21 days after the date of this announcement.

## **DEFINITIONS**

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

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|-------------------|--|
| “associates”      | has the same meaning ascribed thereto in the Listing Rules;  |
| “Board”           | the board of Directors;  |
| “Company”         | Anex International Holdings Limited , an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange; |
| “Completion Date” | 18 May 2005, the date of completion of the Disposal;   |
| “Directors”       | the directors of the Company;  |
| “Disposal”        | the disposal of the interest in the Property by the Vendor to the Purchaser pursuant to the Sale & Purchase Agreement;                                   |

“Group”	The Company and its subsidiaries and members of the Group shall be construed accordingly;
“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;
“Independent Third Party”	an independent third party not connected with the directors, chief executives and substantial shareholders of the Company and its subsidiaries and their respective associates;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	a piece of property situated at Flat 10C, Mai Shun Industrial Building, 18-24 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong;
“Purchaser”	Mr. Wong Kung Yue who, to the best of the Directors knowledge and belief after making reasonable enquiries is an Independent Third Party;
“Sale & Purchase Agreement”	the sale and purchase agreement dated 11 April 2005 entered into between the Vendor and the Purchaser, particulars of which are set out in the paragraph headed “The Disposal – the Sale and Purchase Agreement” in this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“Vendor”

Anex Electrical Company Limited, a direct wholly owned subsidiary of the Company holding the interests the Property.

*At the date of this announcement, the Board comprises Mr. KWOK Hon Ching, Mr. KWOK Hon Lam, Mr. KWOK Chi Hang Peter, Mr. LEE Yu Leung, Mr. LOO Pak Hong, all of whom are executive Directors; Ms TO Wing Yee Janice, who is a non-executive Director; Mr. CHAN Kwok-wai, Mr. WONG Tik Tung, Mr. TSUN Kok Chung Richard, all of whom are independent non-executive Directors.*

By order of the Board  
**Anex International Holdings Limited**  
**Kwok Hon Ching**  
*Chairman*

Hong Kong, 16 December 2005

Please also refer to the published version of this announcement in The Standard.