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# NationalInvestments

## National Investments Fund Limited

國盛投資基金有限公司

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

**(Stock Code: 1227)**

### CONNECTED TRANSACTION DISPOSAL OF ASSETS

The Board announces that on 22 March 2019, the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company agreed to dispose and the Purchaser agreed to acquire the Assets at an aggregate consideration of HK\$5,838,000.

As at the date of this announcement, the entire issued share capital of the Purchaser is owned by the Purchaser, Mr. Wong Danny F., a former executive Director who resigned on 18 March 2019. Accordingly, Mr. Wong Danny F. is a connected person of the Company and the Purchaser is an associate of Mr. Wong Danny F, and the Sale and Purchase Agreement and the transaction contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios for the Disposal are less than 25% and the aggregate consideration for the Disposal is less than HK\$10,000,000, the Disposal is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

## **SALE AND PURCHASE AGREEMENT**

The Board announces that on 22 March 2019 (after trading hours), the Company and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Company agreed to dispose and the Purchaser agreed to acquire the Assets at an aggregate consideration of HK\$5,838,000. The principal terms of the Sale and Purchase Agreement are summarized as follows:

### **Date**

22 March 2019

### **Parties**

- (1) the Company, as the vendor; and
- (2) the Purchaser.

### **The Assets**

The Company agreed to dispose, and the Purchaser agreed to acquire the Assets, details of which are set out as follows:

#### ***Office equipment and furniture***

- (1) 2 safe deposit boxes
  - (2) Signboard
- (collectively, the “**Office Equipment and Furniture**”)

#### ***Vehicles***

- (3) Range Rover 5.0
- (4) Benz Viano 3.5
- (5) BMW 760 LIA SALOON
- (6) Toyota Alphard first class
- (7) Mercedes-Benz E400 Estate Facelift (S212)
- (8) Toyota Vellfire 2011 Grey
- (9) TOYOTA ALPHARD 2014 BLACK

(collectively, the “**Vehicles**”)

***Other assets***

- (10) The American Club debenture
  - (11) 1.06-Carat yellow diamond ring
  - (12) Painting artwork
- (collectively, the “**Other Assets**”)

The Company has held the Assets for more than 12 months.

As at 31 December 2018, the unaudited net book value of the Assets was HK\$4,239,260.39, the breakdown of which is set out as follows:

<b>Assets</b>	<b>Net book value as at 31 December 2018</b>
<b>Office Equipment and Furniture</b>	
2 safe deposit boxes	HK\$9,240.69
Signboard	HK\$2,375
<b>Vehicles</b>	
Range Rover 5.0	HK\$0 <i>(Note 1)</i>
Benz Viano 3.5	HK\$0 <i>(Note 1)</i>
BMW 760 LIA SALOON	HK\$0 <i>(Note 1)</i>
Toyota Alphard first class	HK\$0 <i>(Note 1)</i>
Mercedes-Benz E400 Estate Facelift (S212)	HK\$223,144.70
Toyota Vellfire 2011 Grey	HK\$100,000
TOYOTA ALPHARD 2014 BLACK	HK\$149,500
<b>Other Assets</b>	
The American Club debenture	HK\$2,180,000
1.06-Carat yellow diamond ring	HK\$75,000
Painting artwork	HK\$1,500,000
<b>Total</b>	<b>HK\$4,239,260.39</b>

*Note:*

1. The relevant assets have been fully depreciated as at 31 December 2018.

## Consideration and basis of determination

The aggregate consideration for the Assets is HK\$5,838,000, the breakdown of which is set out as follows:

<b>Assets being disposed</b>	<b>Consideration</b>
<b>Office Equipment and Furniture</b>	
2 safe deposit boxes	HK\$10,000
Signboard	HK\$3,000
<b>Vehicles</b>	
Range Rover 5.0	HK\$300,000
Benz Viano 3.5	HK\$200,000
BMW 760 LIA SALOON	HK\$500,000
Toyota Alphard first class	HK\$260,000
Mercedes-Benz E400 Estate Facelift (S212)	HK\$350,000
Toyota Vellfire 2011 Grey	HK\$180,000
TOYOTA ALPHARD 2014 BLACK	HK\$280,000
<b>Other Assets</b>	
The American Club debenture	HK\$2,180,000
1.06-Carat yellow diamond ring	HK\$75,000
Painting artwork	HK\$1,500,000
<b>Total</b>	<b>HK\$5,838,000</b>

The consideration for the Assets shall be settled by the Purchaser by way of offsetting of part of the outstanding loan (which is non-interest-bearing and unsecured) in the amount of HK\$5,838,000 advanced by Mr. Wong Danny F. through the Purchaser to the Company on the completion date, being within two business days after the date of the Sale and Purchase Agreement.

The consideration for the Office Equipment and Furniture was arrived at after arm's length negotiation between the parties with reference to the acquisition costs for such assets and their current conditions.

The consideration for the Vehicles was arrived at after taking into account the maximum resale price of the Vehicles in the market obtained by the Company from two independent car dealers in the market and from the internet web pages.

The consideration for the Other Assets was arrived at by making reference to the assets valuation report prepared by an independent valuer. The appraised value of the Other Assets as at 31 December 2018 was approximately HK\$3,755,000.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT**

The main purpose of disposing the Assets is to further optimize the assets structure of the Group so as to liquidize remnant assets. Disposing the Assets will allow the Company allocate asset effectively, which will not bring any adverse effect on the operation of the Company. In addition, the Disposal can also provide the opportunity for the Group to utilize the remnant assets to settle the outstanding debt owed to the Purchaser, thereby lowering the level of indebtedness of the Group.

The Board (including the independent non-executive Directors) takes the view that the Sale and Purchase Agreement is incidental to the ordinary and usual course of business of the Group, entered into on normal commercial terms, and such terms are fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors has any material interests in the Disposal and is required to abstain from voting on the relevant Board resolutions to approve the Disposal.

## **FINANCIAL IMPACTS FROM THE DISPOSAL**

Based on the unaudited net book value of the Assets of HK\$4,239,260.39 as at 31 December 2018, it is estimated that the Company will realize a gain from the Disposal of approximately HK\$1,598,739.61 (before tax and expenses), being the difference between the consideration for the Disposal and the unaudited net book value of the Assets as at 31 December 2018.

## **USE OF PROCEEDS**

As disclosed in the section headed “Sale and Purchase Agreement — Consideration and basis of determination” above, the consideration for the Assets shall be settled by the Purchaser by way of offsetting of the Debt on the completion date. Accordingly, there will be no cash proceeds from the Disposal.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company. The Group is principally engaged in the investment in listed and unlisted companies.

## INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment management. The entire issued capital of the Purchaser is owned by Mr. Wong Danny F., a former executive Director who resigned on 18 March 2019.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, the entire issued share capital of the Purchaser is owned by Mr. Wong Danny F., a former executive Director who resigned on 18 March 2019. Accordingly, Mr. Wong Danny F. is a connected person of the Company and the Purchaser is an associate of Mr. Wong Danny F, and the Sale and Purchase Agreement and the transaction contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios for the Disposal are less than 25% and the aggregate consideration for the Disposal is less than HK\$10,000,000, the Disposal is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

## DEFINITIONS

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

“associate”	has the same meaning ascribed thereto under the Listing Rules
“Assets”	a collection of assets to be disposed of by the Company to the Purchaser under the Sale and Purchase Agreement, details of which are set out in the paragraph headed “Sale and Purchase Agreement — The Assets” in this announcement
“Board”	the board of directors of the Company
“Company”	National Investments Fund Limited, a company incorporated in the Cayman Islands with limited liability with its shares listed on the Main Board of the Stock Exchange (stock code: 1227)
“connected person”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Disposal”	the disposal of the Assets by the Company to the Purchaser pursuant to the terms of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	OBOR Investments Fund Management Limited, a company incorporated in Hong Kong with limited liability
“PRC”	the People’s Republic of China
“Sale & Purchase Agreement”	the sale and purchase agreement dated 22 March 2019 entered into between the Company as vendor and the Purchaser in respect of the sale and purchase of the Assets
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**National Investments Fund Limited**  
**Xie Xiangrong**  
*Chairperson*

Hong Kong, 22 March 2019

*As at the date of this announcement, the Board comprises an executive Director, namely, Mr. Chan Cheong Yee; a non-executive Director, namely Ms. Xie Xiangrong (Chairperson); and four independent non-executive Directors, namely Mr. Liu Jin, Mr. Li Li, Ms. Chan So Fong and Mr. Liao Kai.*