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## **HENGDELI HOLDINGS LIMITED**

### **亨得利控股有限公司**

*(Incorporated in Cayman Islands with limited liability)*

(Stock Code: 3389)

### **ANNOUNCEMENT RELATING TO THE DISPOSAL OF OMAS**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Directors are pleased to announce that on 28 September 2011, after trading hours, the Purchaser, Ming Fung, the Vendor and the Company entered into the Agreement pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Share and the Shareholders Loan at a total consideration of HK\$400,000,000, which will be satisfied in full by the issue and allotment by Ming Fung to the Vendor (or its nominee(s)) the Consideration Shares.

On the basis that the issued share capital of Ming Fung comprises 3,648,960,626 shares as at the date of this announcement, the Consideration Shares represent (i) approximately 18.27% of the issued share capital of Ming Fung as at the date of this announcement; and (ii) approximately 15.45% of the issued share capital of Ming Fung as enlarged by the allotment and issue of the Consideration Shares, assuming there is no further issue or repurchase of shares by Ming Fung before the date of completion.

As the applicable percentage ratios for the Disposal under Chapter 14 of the Listing Rules do not exceed 5%, the Disposal does not constitute a notifiable transaction for the Company under the Listing Rules.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the joint announcement of the Company and Ming Fung dated 30 May 2011 in relation to, among other matters, the entering into the letter of intent relating to the Disposal.

## **THE AGREEMENT**

The Directors are pleased to announce that on 28 September 2011, after trading hours, the Purchaser (as the purchaser), Ming Fung (as the purchaser's holding company), the Vendor (as the vendor) and the Company (as the guarantor) entered into the Agreement pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Share and the Shareholders Loan at a total consideration of HK\$400,000,000.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Ming Fung, the Purchaser and their respective ultimate beneficial owner are third parties independent of, and not connected to, the Company and its connected persons (as defined in the Listing Rules).

Subject to the fulfillment of the conditions precedent, the completion of the Disposal is expected to take place at the end of January 2012. Upon completion, Omas will cease to be a subsidiary of the Company and its financial results will cease to be consolidated into the Group's results.

## **THE CONSIDERATION SHARES**

The consideration for the Disposal will be satisfied in full by the issue and allotment by Ming Fung to the Vendor (or its nominee(s)) the Consideration Shares upon completion. On the basis that the issued share capital of Ming Fung comprises 3,648,960,626 shares as at the date of this announcement, the Consideration Shares represent (i) approximately 18.27% of the issued share capital of Ming Fung as at the date of this announcement; and (ii) approximately 15.45% of the issued share capital of Ming Fung as enlarged by the allotment and issue of the Consideration Shares, assuming there is no further issue or repurchase of shares by Ming Fung before the date of completion.

After the completion of the Disposal, the Company will become a substantial shareholder (as defined in the Listing Rules) of Ming Fung. As at the date of this announcement, the Group does not hold any shares of Ming Fung.

The consideration and the issue price of HK\$0.6 per Consideration Share was arrived at based on normal commercial terms and after arm's length negotiations between the parties to the Agreement by reference to the market conditions and the terms of the Disposal and the Board considers that the consideration for the Disposal and the issue price of HK\$0.6 per Consideration Share is fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

## **WARRANTIES AND GUARANTEES GIVEN BY THE GROUP**

The Company as a guarantor has guaranteed to the Purchaser the full, due and punctual performance of all the obligations of the Vendor under or pursuant to the Agreement and, in case of failure by the Vendor, fully, duly or punctually perform such obligations.

Further, the Vendor guarantees to the Purchaser that the Total Net Profits shall not be less than HK\$120,000,000 and shall indemnify keep the Purchaser indemnified the short fall on dollar-to-dollar basis if the Total Net Profits shall be less than HK\$120,000,000.

## **REASONS FOR THE DISPOSAL**

The Disposal could allow the Group to integrate middle-to-high-end consumer products business between Omas and Ming Fung, including jewellery, watch and writing instrument, and achieve breakthrough development of the integrated business through quality retail networks of the Group . The Disposal is in compliance with the Group's future development strategy.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the Disposal is in the ordinary and usual course of business of the Group and on normal commercial terms, the terms of the Agreement are fair and reasonable, and the entering into of the Agreement is in the interests of the Company and its shareholders as a whole.

## **GENERAL**

The Group is a wholesaler and retailer of watches in the Great China Region which focuses on distributing watches of international brands.

For other information relating to the Disposal (including details of the Agreement and the information of Ming Fung, the Purchaser and Omas Group), please refer to the Ming Fung Announcement.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios for the Disposal under Chapter 14 of the Listing Rules do not exceed 5%, the Disposal does not constitute a notifiable transaction for the Company under the Listing Rules. However, as the Disposal constitutes price sensitive information, the Company makes this announcement pursuant to Rule 13.09(1) of the Listing Rules.

## **DEFINITIONS**

“Agreement”	the agreement dated 28 September 2011 entered into between the Purchaser, Ming Fung, the Vendor and the Company in relation to the Disposal
“Board”	the board of Directors
“Company”	Hengdeli Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Consideration Shares”	666,666,667 new Shares to be allotted and issued to the Vendor or its nominee(s) as settlement of part of the consideration under the Agreement

“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Share and the Shareholders Loan by the Vendor
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ming Fung”	Ming Fung Jewellery Group Limited, a company incorporated under the laws of the Cayman Islands, the Shares of which are listed on the Stock Exchange
“Ming Fung Announcement”	the announcement issued by Ming Fung on the website of the Stock Exchange on or about the date of this announcement relating to the Disposal
“Omas”	Omas International S.A., a company incorporated under the laws of Luxembourg and the entire issued share capital of which is held by the Vendor as at the date of this announcement
“Omas Group”	Omas and Omas SRL (a subsidiary of Omas) for the time being and from time to time
“Purchaser”	Eternal Top Investment Limited, a company incorporated under the laws of Hong Kong and the wholly owned subsidiary of Ming Fung
“Sale Share”	the issued four thousand (4,000) shares of the value of EUR\$10.00 each in the authorized share capital of Omas legally and beneficially owned and held by and registered in the name of the Vendor
“Shareholders Loan”	the shareholder’s loan due from time to time by any member of the Omas Group to the Vendor
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Net Profits”	the accumulated total net profits of Omas Group after tax (excluding exceptional and extraordinary items) calculated on a consolidated basis for the financial years ending 2012, 2013 and 2014 provided that if such figure is less than zero, the Total Net Profits shall be deemed to be zero

“Vendor”	Hengdeli International Company Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company, principally engaged in investment holding
“EUR\$”	EURO, the lawful currency of the European Union
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board  
**HENGDELI HOLDINGS LIMITED**  
**Zhang Yuping**  
*Chairman*

Hong Kong, 28 September 2011

*As at the date hereof, the Executive Director and Chairman of the Company is Mr. Zhang Yuping, the Executive Directors are Mr. Song Jianwen and Mr. Huang Yonghua, the Non-executive Directors are Mr. Chen Sheng, Mr. Shi Zhongyang and Ms. Zheng Yu, the Independent Non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai William and Mr. Liu Xueling.*