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vongroup

VONGROUP LIMITED

黃河實業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 318)

DISCLOSEABLE TRANSACTION

Purchase of the entire issued share capital of the target company

On 16 July 2012, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Sale and Purchase Agreement with the Vendor for the sale and purchase of the entire issued share capital of the Target Company at a consideration of HK\$52,000,000. The Target Company, through its wholly-owned subsidiary, is the beneficial owner of the Property, being retail property located in Kwun Tong.

As at least one of the Percentage Ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Purchase is more than 5% but is less than 25%, the Purchase constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SHARE SALE AND PURCHASE AGREEMENT

On 16 July 2012 the Purchaser, a wholly-owned subsidiary of the Company, entered into the Share Sale and Purchase Agreement with the Vendor for the sale and purchase of the entire issued share capital of the Target Company at a consideration of HK\$52,000,000. The Target Company, through its wholly-owned subsidiary, is the beneficial owner of the Property, being retail property located in Kwun Tong.

Date: 16 July 2012

Parties: The Vendor and the Purchaser.
To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owners are third parties independent of the Company

and connected persons of the Company. According to information provided by the Vendor, it is engaged in investment holdings.

Purchase: The Vendor's sale, and the Purchaser's purchase, of the entire issued share capital of the Target Company, free and clear of, amongst others, charges, mortgages, pledges, liens, encumbrances, and other third party rights.

Consideration: HK\$52,000,000.
The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor and determined on normal commercial terms with reference to the prevailing market price of properties similar to the Property at similar locations.

Payment: The Consideration has been paid, from internal resources, in full by the Purchaser to the Vendor upon the signing of the Share Sale and Purchase Agreement.

Completion: Completion took place on 16 July 2012.

INFORMATION ABOUT THE PURCHASE

Upon Completion, the Purchaser paid the Consideration in full to the Vendor, and the Vendor transferred its ownership of the entire issued share capital of the Target Company to the Purchaser, free and clear of, amongst others, charges, mortgages, pledges, liens, encumbrances, and other third party rights.

According to information provided by the Vendor, the Target Company and its wholly-owned subsidiary have not engaged in any business since their incorporation and the Target Company and its wholly-owned subsidiary own no material assets, other than the Target Company's ownership of the entire issued capital of its wholly-owned subsidiary, and the wholly-owned subsidiary's ownership of the Property.

The Property is a ground floor retail shop property situated in a newly completed development. It is therefore currently not leased, and the Purchaser intends to offer it for lease to a retail tenant.

The Target Company was incorporated in the British Virgin Islands in August 2010. According to the Target Company's unaudited management accounts, (a) upon Completion, its book value was approximately HK\$39,186,000, and (b) its net loss for the year ended 31 A 2011 (before and after taxation and extraordinary items) was approximately HK\$26,000.

REASONS FOR AND BENEFITS OF THE PURCHASE

The Directors consider the Purchase as an opportunity for the Group to expand its property investment portfolio and to seek to increase the rental income stream of the Group.

The Directors are of the view that the terms of the Share Sale and Purchase Agreement are fair and reasonable, on normal commercial terms, and in the interests of the Shareholders as a whole.

GENERAL

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this announcement as at the date hereof.

DEFINITIONS

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

“Company”	Vongroup Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange;
“Directors”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;

“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“Property”	the property situated at Shop 4, Ground Floor, 55 King Yip Street, Kwun Tong, Kowloon, Hong Kong;
“Purchase”	the sale by the Vendor, and the purchase by the Purchaser, of the entire issued share capital of the Target Company in accordance with the terms and conditions of the Share Sale and Purchase Agreement;
“Purchaser”	VG Investment Assets Holdings Incorporated, a wholly-owned subsidiary of the Company;
“Share Sale and Purchase Agreement”	the Share Sale and Purchase Agreement dated as of 16 July 2012, and entered into between the Vendor and the Purchaser in relation to the Purchase;
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company;
“Shareholders”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Freemantle Capital Investments Limited, a company incorporated in the British Virgin Islands with limited liability;
“Vendor”	Brooklyn Miracle Investments Limited, a company incorporated in the British Virgin Islands;
“%”	per cent.

By Order of the Board
Vongroup Limited
Tsui Siu Hung Raymond
Company Secretary

Hong Kong, 16 July 2012

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Vong Tat Jeong, David and Mr. Xu Siping; and three independent non-executive Directors, namely Mr. Fung Ka Keung, David, Dr. Lam Lee G. and Ms. Wong Man Ngar, Edna.

** For identification purpose only*