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黃河實業有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 318)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

THE DISPOSAL

The Board announces that on 29 July 2021 the Vendor (an indirect wholly-owned subsidiary of the Company) entered into the Provisional Agreement with the Purchasers to dispose of the Property at a consideration of HK\$11,880,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all the applicable percentage ratios are below 25%, the Disposal constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

Shareholders and potential investors of the Company should note that the Disposal is subject to the satisfaction of the conditions under the Provisional Agreement and therefore may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are as follows:

Date

29 July 2021

Parties

- (1) the Vendor
- (2) the Purchasers

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchasers is a third party independent of the Company and its connected persons.

The Property

The property located at Flat C, 10/F., Tower 7, Harbour Place, 8 Oi King Street, Kowloon, Hong Kong.

Prior to the Disposal, the Property has been held by the Vendor as an investment property for the purpose for generating rental income and capital gain. The unaudited net profits attributable to the Property for the two financial years ended 30 April 2020 and 30 April 2019 were approximately HK\$262,000 and HK\$214,000, respectively. The carrying value of the Property as shown in the unaudited consolidated accounts of the Company as at 31 October 2020 was approximately HK\$10,780,000.

Consideration

The consideration for the Disposal is HK\$11,880,000, which shall be paid by the Purchasers to the Vendor in the following manner:

- i) an initial deposit of HK\$594,000 was paid in cash by the Purchasers to the Vendor upon signing of the Provisional Agreement;
- ii) a further deposit of HK\$594,000 shall be paid in cash by the Purchasers to the Vendor on or before 13 August 2021; and
- iii) the balance of HK\$10,692,000 shall be paid in cash by the Purchasers to the Vendor upon completion of the Disposal.

The consideration for the Disposal was determined after arm's length negotiations between the Vendor and the Purchasers on normal commercial terms taking into account, among other things, (i) the condition and location of the Property; (ii) recent available transaction records of comparable properties nearby, and (iii) current property market conditions in Hong Kong.

Formal agreement

A formal agreement for the sale and purchase of the Property is expected to be signed by the Vendor and the Purchasers on or before 13 August 2021.

Completion

Completion of the Disposal is expected to take place on or before 27 September 2021.

Upon the completion of the Disposal, the Vendor shall deliver vacant possession of the Property to the Purchasers.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The carrying value of the Property as shown in the unaudited consolidated accounts of the Company as at 31 October 2020 was approximately HK\$10,780,000. Therefore, for illustration purposes, based on the Consideration less such carrying value as at 31 October 2020 before any related expenses, the Group would be expected to record an unaudited gain of approximately HK\$1,100,000 from the Disposal. The actual gain as a result of the Disposal will be subject to audit.

It is estimated that the net proceeds from the Disposal (after deduction of agency fees, legal fees and ancillary expenses) would be approximately HK\$11,780,000. The net proceeds from the Disposal are intended to be used as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property has been held by the Vendor as an investment property for the purpose for generating rental income and capital gain. The Directors undertake strategic review of the Group's assets from time to time with a view to maximising returns for the Shareholders. Having regard to prevailing market conditions, the Directors are of the view that the Disposal provides an opportunity for the Group to realise reasonable capital gain from the Property and generate additional working capital for the Group. In view of the above, the Directors consider that the terms of the Provisional Agreement (including the Consideration) are on normal commercial terms and are fair and reasonable, and that the Disposal is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE VENDOR, THE GROUP AND THE PURCHASERS

The Vendor is a company incorporated in Hong Kong with limited liability, and is an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in property investment and letting.

The principal activities of the Group, including the Company and its subsidiaries, comprise mainly technology & management business as a technology service and solutions provider, with a focus on fintech, ecommerce, payment, cloud technology and enterprise solutions, as well as property and financial services businesses.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Purchasers is a third party independent of the Company and its connected persons.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all the applicable percentage ratios are below 25%, the Disposal constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the Board of Directors of the Company
“Company”	Vongroup Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the Stock Exchange
“connected person(s)”	the meaning ascribed thereto in the Listing Rules
“Consideration”	the consideration for the Disposal
“Directors”	directors of the Board of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchasers as provided in the Provisional Agreement
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property located at Flat C, 10/F., Tower 7, Harbour Place, 8 Oi King Street, Kowloon, Hong Kong
“Provisional Agreement”	the Provisional Agreement for Sale and Purchase of the Property between the Vendor and the Purchasers, dated as of 29 July 2021
“Purchasers”	Tsui Ming Nga Crystal and Tang Wing Cheong
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	United Luck Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 29 July 2021

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

* *For identification purpose only*