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## **Gold Tat Group International Limited**

**金達集團國際有限公司**

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

**(Stock Code: 8266)**

### **DISCLOSEABLE TRANSACTION**

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On 23 October 2015 (after trading hours of the Stock Exchange), Gold Continental, a wholly-owned subsidiary of the Company, entered into the Agreement pursuant to which Gold Continental has agreed to sell and the Purchaser has agreed to purchase the Sale Share and the Sale Loan for a total consideration of HK\$22,400,000.

The Consideration of HK\$22,400,000 for the sale and purchase of the Sale Share and the Sale Loan shall be satisfied by the Purchaser in the following manner: (a) as to HK\$1,120,000 of the Consideration shall be payable to Gold Continental in cash as the Deposit and part payment of the Consideration on the date of the Agreement; and (b) the balance of HK\$21,280,000 shall be payable to Gold Continental in cash at Completion.

#### **GEM LISTING RULES IMPLICATIONS**

As the relevant percentage ratios calculated in accordance with the GEM Listing Rules are more than 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

On 23 October 2015 (after trading hours of the Stock Exchange), Gold Continental, a wholly-owned subsidiary of the Company, entered into the Agreement pursuant to which Gold Continental has agreed to sell and the Purchaser has agreed to purchase the Sale Share and the Sale Loan for a total consideration of HK\$22,400,000.

#### **THE AGREEMENT**

Date: 23 October 2015 (after trading hours of the Stock Exchange)

Parties:

Purchaser: the Purchaser

Vendor: Gold Continental

Gold Continental is a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. It holds the entire issued share capital of the Target Company.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

### **Assets to be disposed of**

Pursuant to the Agreement, Gold Continental has agreed to sell and the Purchaser has agreed to acquire the Sale Share and the Sale Loan. The Sale Share represents the entire issued share capital of the Target Company.

### **Consideration**

The Consideration of HK\$22,400,000 for the sale and purchase of the Sale Share and the Sale Loan shall be satisfied by the Purchaser in the following manner:

- (a) as to HK\$1,120,000 of the Consideration shall be payable to Gold Continental in cash as the Deposit and part payment of the Consideration on the date of the Agreement; and
- (b) the balance of HK\$21,280,000 shall be payable to Gold Continental in cash at Completion.

The Consideration was determined with reference to the book value of the Property of HK\$34,700,000 (which was revalued on 31 March 2015 on the open market value basis by reference to market evidence of recent transactions for similar properties by Savills Valuation and Professional Services Limited, an independent firm of valuers) less the amount owe by the Target Company to Gold Continental as at the date of this announcement of HK\$21,914,979.53. The Consideration was arrived at after arm's length negotiations between the parties to the Agreement.

If the Purchaser shall fail to complete the purchase of the Sale Share and the Sale Loan, Gold Continental may forthwith determine the Agreement by giving notice of termination in writing to the Purchaser to such effect, in which event Gold Continental shall be entitled to forfeit the Deposit absolutely as liquidated damages. Thereafter, neither party shall have any obligations and liabilities hereunder nor take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms hereof.

If Gold Continental shall fail to complete the sale of the Sale Share and the Sale Loan, the Purchaser may forthwith determine the Agreement by giving notice of termination in writing to Gold Continental to such effect, in which event Gold Continental shall refund to the Purchaser the Deposit (without interest). Thereafter, neither party shall have any obligations and liabilities hereunder nor take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms hereof.

### **Completion**

Completion shall take place at 4:00 p.m. on 30 December 2015 or such other date as Gold Continental and the Purchaser may agree.

Upon Completion, the Target Company will cease to be an indirect wholly-owned subsidiary of the Company.

### **Purchaser's undertaking**

The Purchaser hereby unconditionally and irrevocably undertakes to Gold Continental to procure the relevant bank to release Mr. Choi Ho Yan from all of his obligations and liabilities of whatsoever nature under the guarantees in respect of the performance of the obligations of the Target Company in connection with the credit or other banking facilities provided by such bank to the Target Company, such release to take effect as soon as practicable following the signing of the Agreement and in any event within 30 days after the date of Completion.

### **INFORMATION ON THE TARGET COMPANY**

The Target Company was incorporated in Hong Kong on 6 July 2010 and is principally engaged in investment holdings. The principal asset of the Target Company is the Property located at Flat A, 52/F, Tower 2, Manhattan Hill, No.1 Po Lun Street, Kowloon.

The audited financial information of the Target Company for the year ended 31 March 2014 and 31 March 2015 and the unaudited financial information for the three months ended 30 June 2015, which is prepared in accordance with generally accepted accounting principles in Hong Kong, are as follows:

	<b>For the three months ended 30 June 2015 (unaudited) (HK\$)</b>	<b>For the year ended 31 March 2015 (audited) (HK\$)</b>	<b>For the year ended 31 March 2014 (audited) (HK\$)</b>
Profit/(loss) before taxation	(173,105)	3,041,292	(755,776)
Profit/(loss) after taxation	(173,105)	3,041,292	(755,776)
Net assets	3,483,098	3,656,203	614,911

## **USE OF PROCEEDS AND EXPECTED FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**

The Board estimates that the net proceeds from the Proposed Disposal (after deduction of relevant costs and expenses) will amount to approximately HK\$22,300,000. It is intended that the net proceeds from the Proposed Disposal will be applied towards the general working capital of the Group.

Based on the financial information of the Target Company, it is expected that the Company will incur a loss from the Proposed Disposal of approximately HK\$2,998,000 being the difference between the Consideration, the net assets and the Sale Loan.

## **REASONS FOR THE PROPOSED DISPOSAL**

The Group is engaged in mobile application and data solution, the trading of electronic parts and components in relation to display modules and touch panel modules, and provision of professional solution with engineering services, property development and property investment.

Given the uncertainties of the real estate market, the Directors consider that the Proposed Disposal represents a good opportunity for the Group to reallocate the financial and operational resources from the proceeds of the Proposed Disposal to other business segments which may generate relatively higher return.

In light of the above, the Board considers that the Proposed Disposal represents a good opportunity for the Group to dispose of its equity interests in the Target Company and the proceeds from the Proposed Disposal will be applied towards the general working capital of the Group.

Based on the above, the Board is of the view that the terms of the Proposed Disposal are on normal commercial terms and are fair and reasonable and the Proposed Disposal is in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As the relevant percentage ratios calculated in accordance with the GEM Listing Rules are more than 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Agreement”	the sale and purchase agreement dated 23 October 2015 and entered into between Gold Continental and the Purchaser in respect of the sale and purchase of the Sale Share and the Sale Loan
“Board”	the board of Directors

“Business Day”	a day other than a Saturday, Sunday or public holiday on which banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Gold Tat Group International Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“Completion”	completion of the sale and purchase of the Sale Share and the Sale Loan in accordance with the terms and conditions of the Agreement
“Consideration”	the consideration to be satisfied by the Purchaser to Gold Continental for the sale and purchase of the Sale Share and the Sale Loan
“Deposit”	the deposit in the sum of HK\$1,120,000 payable by the Purchaser to Gold Continental on the date of the Agreement
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Gold Continental”	Gold Continental Investments Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Property”	the residential property located at Flat A, 52/F, Tower 2, Manhattan Hill, No. 1 Po Lun Street, Kowloon legal and beneficially owned by the Target Company
“Proposed Disposal”	the proposed disposal of the Sale Share and the Sale Loan by Gold Continental subject to and upon the terms and conditions of the Agreement
“Purchaser”	Sino Trend Management Limited, a company incorporated in the British Virgin Islands with limited liability

“Sale Share”	one share of the Target Company, representing the entire issued share capital of the Target Company
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Company to Gold Continental on or at any time prior to Completion, which as at the date of this announcement amounted to HK\$21,914,979.53
“Shareholders”	holders of the Shares
“Share(s)”	ordinary share(s) of US\$0.001 each in issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Star Global Industries Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States of America dollars, the lawful currency of the United States of America

By order of the Board  
**Gold Tat Group International Limited**  
**So Loi Fat**  
*Chairman*

Hong Kong, 23 October 2015

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. So Loi Fat (Chairman), Mr. Su Minzhi and Mr. Wong Shiu Wah, Williamson; and three independent non-executive Directors, namely, Mr. Chiu Wai Piu, Mr. Tam Kin Yip and Mr. Tam Yiu Cheung.*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the Company’s website at [www.goldtatgroup.com](http://www.goldtatgroup.com).*