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## **NGAI HING HONG COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1047)**

Website: <http://www.nhh.com.hk>

### **DISCLOSEABLE TRANSACTION - ACQUISITION OF REAL PROPERTY AND SUPPLEMENTAL AGREEMENT TO TRANSFER AGREEMENT**

#### **ACQUISITION OF REAL PROPERTY**

On 23 June 2009, the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to dispose of and the Purchaser agreed to purchase from the Vendor the Property, for a consideration of HK\$29 million in cash.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

#### **SUPPLEMENTAL AGREEMENT TO TRANSFER AGREEMENT**

Pursuant to a supplemental agreement dated 20 May 2009 entered into between the parties to the Transfer Agreement, it was agreed and confirmed, among other things, that (i) the time of issuance of the Certificates was extended to 31 December 2011; and (ii) the deposit of RMB7.15 million has been paid to the vendor under the Transfer Agreement and the balance of the purchase price of RMB5.35 million shall be payable upon the receipt by the purchaser under the Transfer Agreement of the Certificates.

## **SALE AND PURCHASE AGREEMENT**

### **Date**

23 June 2009

### **Parties**

Vendor: TP Semiconductors Limited

Purchaser: Ngai Hing Engineering Plastic Materials Limited, an indirect non-wholly owned subsidiary of the Company

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiry, the Vendor and its ultimate beneficial owners are Independent Third Parties and are not connected persons of the Company within the meaning under the Listing Rules.

### **Property to be purchased**

Pursuant to the Sale and Purchase Agreement, the Vendor shall dispose of and the Purchaser shall purchase from the Vendor the Property subject to and upon the terms of the Sale and Purchase Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Property has a gross floor area of approximately 8,411.14 sq. m. and is designated for industrial use.

### **Consideration**

The consideration payable by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement is HK\$29 million in cash, which shall be satisfied by the Purchaser in the following manner:

- (1) HK\$1.45 million, being initial deposit had been paid to the Vendor's solicitor as stakeholders before signing of the Sale and Purchase Agreement;
- (2) HK\$1.45 million shall be paid as further deposit and in part payment of the Consideration to the Vendor's solicitors as stakeholders on signing of the Sale and Purchase Agreement; and
- (3) HK\$26.1 million being balance of the Consideration shall be paid on the Completion Date.

The initial deposit and further deposit totaling HK\$2.9 million have been paid to the Vendor's solicitors as stakeholders who may release the same to the Vendor provided that the Consent is issued by The Hong Kong Science and Technology Parks Corporation and the title deeds of the Property shall have been approved and accepted by the Purchaser's solicitors.

If The Hong Kong Science and Technology Parks Corporation does not approve the sale of the Property on or before 6 December 2009, the Vendor and the Purchaser are entitled to terminate the Sale and Purchase Agreement. If The Hong Kong Science and Technology Parks Corporation does not approve the sale of the Property, the Vendor shall refund the initial deposit and further deposit totaling HK\$2.9 million to the Purchaser without interest.

The Consideration will be funded by internal resources and credit facilities of the Group.

The Consideration, representing approximately HK\$3,447.80 per sq. m., was arrived at after arm's length negotiation between the Vendor and the Purchaser based on normal commercial terms and with reference to the prices of similar property offered for sale and the prevailing market values of similar property in Tai Po Industrial Estates. The Directors (including independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement including the Consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Completion**

Completion shall take place within thirty days after the Consent being issued by The Hong Kong Science and Technology Parks Corporation or within thirty days after delivery of a written notice to complete by the Vendor to the Purchaser after the Consent duly issued by The Hong Kong Science and Technology Parks Corporation whichever date shall be the later but in any event shall not be later than 31 December 2009.

### **REASONS FOR THE ACQUISITION**

The Group is principally engaged in the trading and manufacturing of plastic materials, pigments, colorants, compounded plastic resins and engineering plastic products.

The Group, through one of its wholly-owned subsidiaries, leased an industrial building situate at No.17 Dai Fu Street, Tai Po Industrial Estate with a gross floor area of appropriately 7,713.85 sq. m. for use by the Purchaser and another wholly-owned subsidiary at the monthly rental of HK\$500,000.00 (inclusive of rates and management fee) for a term of 3 years commencing on 1 August 2008 and expiring on 31 July 2011. Upon acquisition of the Property and after completion of the renovation therein, the Property will provide a permanent base for the Purchaser's manufacturing operations.

## **GENERAL INFORMATION**

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **SUPPLEMENTAL AGREEMENT TO TRANSFER AGREEMENT**

Reference is made to the announcement of the Company dated 8 March 2007 and the circular of the Company dated 27 March 2007 in relation to the acquisition of the Land and the Factories.

Pursuant to a supplemental agreement dated 20 May 2009 entered into between the parties to the Transfer Agreement, it was agreed and confirmed, among other things, that (i) the time of issuance of the Certificates was extended to 31 December 2011; and (ii) the deposit of RMB7.15 million has been paid to the vendor under the Transfer Agreement and the balance of the purchase price of RMB5.35 million shall be payable upon the receipt by the purchaser under the Transfer Agreement of the Certificates.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

|                   |                                                                                                                                                                               |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition”     | the purchase of the Property by the Purchaser pursuant to the Sale and Purchase Agreement                                                                                     |
| “associate”       | has the meaning ascribed to it in the Listing Rules                                                                                                                           |
| “Board”           | the board of Directors                                                                                                                                                        |
| “Certificates”    | the land use right certificate of the Land and the building ownership certificates of the Factories                                                                           |
| “Company”         | Ngai Hing Hong Company Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange |
| “Completion Date” | the date of completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement                                                      |
| “Consent”         | consent by The Hong Kong Science and Technology Parks Corporation to sale of the Property                                                                                     |

|                             |                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Consideration”             | the consideration for the Acquisition, being HK\$29 million                                                                                                                                                                                                                                                                                      |
| “Directors”                 | directors of the Company for the time being                                                                                                                                                                                                                                                                                                      |
| “Factories”                 | the factories located on the Land and consist of 2 blocks of 3-storey high factories with an aggregate gross floor area of 11,215 sq. m. and a security guard room with gross floor area of 22 sq. m                                                                                                                                             |
| “Group”                     | the Company and its subsidiaries;                                                                                                                                                                                                                                                                                                                |
| “HK\$”                      | Hong Kong dollars, the lawful currency of Hong Kong;                                                                                                                                                                                                                                                                                             |
| “Hong Kong”                 | The Hong Kong Special Administrative Region of the PRC;                                                                                                                                                                                                                                                                                          |
| “Independent Third Parties” | independent third parties not connected with the Directors, substantial shareholders or chief executive of the Company and its subsidiaries, or any of their respective associates                                                                                                                                                               |
| “Land”                      | comprising (i) the parcel of land situate next to 東莞市厚街鎮赤嶺工業區博覽大道 (Dongguan City Hou Jie Town Chi Ling Industrial District Bolan Road**) whereupon the Factories are erected and (ii) a parcel of vacant land within the enclosing wall of 東莞厚街毅興塑化廠 (Dongguan Hou Jie Ngai Hing PlastChem Factory**) with an area of approximately 1,200 sq. m. |
| “Listing Rules”             | The Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                                                                              |
| “PRC”                       | the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region and Taiwan)                                                                                                                                                                                                       |
| “Property”                  | No. 9 Dai Shun Street, Tai Po Industrial Estates, New Territories, Hong Kong                                                                                                                                                                                                                                                                     |
| “Purchaser”                 | Ngai Hing Engineering Plastic Materials Limited, an indirect non-wholly owned subsidiary of the Company                                                                                                                                                                                                                                          |
| “RMB”                       | Renminbi, the lawful currency in the PRC;                                                                                                                                                                                                                                                                                                        |

|                               |                                                                                                                                                                                                        |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Sale and Purchase Agreement” | the Agreement for Sale and Purchase dated 23 June 2009 entered into between the Vendor and the Purchaser in relation to the Property                                                                   |
| “Shareholders”                | shareholders of the Company                                                                                                                                                                            |
| “Shares”                      | ordinary share(s) of HK\$0.1 each in the share capital of the Company                                                                                                                                  |
| “sq. m.”                      | square meter(s)                                                                                                                                                                                        |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited;                                                                                                                                                               |
| “subsidiary”                  | has the meaning ascribed to it under the Companies Ordinance (Chapter 32, Laws of Hong Kong) and “subsidiaries” shall be construed accordingly;                                                        |
| “Transfer Agreement”          | the Transfer Agreement dated 12 February 2007 entered into between 東莞毅興塑膠原料有限公司 (Dongguan Ngai Hing Plastic Materials Limited**) and 東莞市厚街鎮赤嶺經濟聯合社 (Dongguan Hou Jie Town Chi Ling. Economic Union**); |
| “Vendor”                      | TP Semiconductors Limited, an Independent Third Party                                                                                                                                                  |
| “%”                           | per cent.                                                                                                                                                                                              |

By order of the Board  
**Hui Sai Chung**  
*Chairman*

Hong Kong, 30 June 2009

*\*\* The unofficial English transliterations or translations are for identification purpose only.*

As at the date of this announcement, the Board of Directors comprises five Executive Directors, namely Mr HUI Sai Chung (Chairman), Mr HUI Kwok Kwong, Dr WONG Chi Ying, Anthony, Mr LAI Kam Wah and Madam LIU Sau Lai and three Independent Non-executive Directors, namely Mr HO Wai Chi, Paul, Mr CHAN Dit Lung and Mr CHING Yu Lung.