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Primeview Holdings Limited

領視控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 789)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF HUAN HAI LIMITED

THE AGREEMENT

The Board is pleased to announce that, on 31 July 2018 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company entered into the Agreement with the Purchasers, pursuant to which the Purchasers have conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company and the Sale Loan, representing all debts owing by the Target Company to the Company (which is the ultimate holding company of the Target Company) as at the Completion Date, at the Consideration.

Completion is subject to and conditional upon fulfillment (or waiver, where applicable) of certain conditions precedent as more particularly set out in sub-paragraph “Conditions Precedent” below before the Long Stop Date. Upon the Completion of the Disposal, the Target Company will cease to be a subsidiary of the Company.

THE LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Disposal is subject to the fulfillment (or waiver) of the conditions precedent under the Agreement. As the Disposal may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that, on 31 July 2018 (after trading hours), the Vendor has entered into the Agreement with the Purchasers, pursuant to which the Purchasers have conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company and the Sale Loan, representing all debts owing by the Target Company to the Company (which is the ultimate holding company of the Target Company) as at the Completion Date, at the Consideration.

The principal terms of the Agreement are summarised as follows:

THE AGREEMENT

Date: 31 July 2018

Parties:

- (1) Vendor: Artist Star International Development Limited;
- (2) Purchasers:
 - (i) 陳龍 (Chen Long*) (as to the purchase of 34 Sale Shares);
 - (ii) 李俊杰 (Li Jun Jie*) (as to the purchase of 33 Sale Shares); and
 - (iii) 李修慧 (Li Xiu Hui*) (as to the purchase of 33 Sale Shares).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers and their respective associates, are not connected persons of the Company and are Independent Third Parties.

Sale Shares to be disposed

Pursuant to the Agreement, the Purchasers have conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company.

Prior to the entering into of the Agreement, the following companies are the wholly-owned subsidiaries of the Target Company:

- (1) Grand Rich Securities Limited (浩豐證券有限公司), a company incorporated in Hong Kong and is licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO;

- (2) Grand Rich Futures Limited (浩豐期貨有限公司), a company incorporated in Hong Kong and is licensed to carry out type 2 (dealing in futures contracts) and type 5 (advising on futures contracts) regulated activities under the SFO; and
- (3) Grand Rich Asset Management Limited (浩豐資產管理有限公司), a company incorporated in Hong Kong.

Upon disposal of the Sale Shares, the Target Company will be owned 100% by the Purchasers and thus the Target Company will no longer be a subsidiary of the Company.

Based on the unaudited consolidated financial statements of the Target Group, prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS), the net loss/profit (before and after taxation) of the Target Group for the financial year ended 31 March 2018 (unaudited) and for the period from 1 April 2018 to 30 June 2018 (unaudited) are as follows:

	Year Ended 31 March 2018 (unaudited) <i>HK\$'000</i>	Period from 1 April 2018 to 30 June 2018 (unaudited) <i>HK\$'000</i>
Net (loss) profit before taxation	(16)	18
Net (loss) profit after taxation	(16)	18

The unaudited consolidated net asset value of the Target Group as at 30 June 2018 was approximately HK\$Nil.

Consideration

The amount of Consideration for the Sale Shares and the Sale Loan is equivalent to the aggregate of (i) HK\$8,500,000; and (ii) the amount of the Sale Loan and shall be settled and paid by the Purchasers to the Vendor in the following manner:

- (a) a deposit of HK\$1,700,000 paid prior to the signing of the Agreement;
- (b) a further part payment equivalent to the aggregate of (i) HK\$3,800,000; and (ii) HK\$10,398,900 (being the amount of all debts owing by the Target Company to the Company as at 30 June 2018) upon signing of the Agreement, whereupon the Sale Shares and the Sale Loan will be conditionally transferred to the Purchasers; and
- (c) the balance of the Consideration in the sum of HK\$3,000,000 (subject to adjustment) upon Completion, which will be subject to adjustment according to the actual amount of the Sale Loan as at the Completion Date.

Determination of the Consideration

The Consideration for the Sale Shares and Sale Loan was determined after arm's length negotiations between the Purchasers and the Vendor taking into account various factors, among others, (1) the SFC licensed status of Grand Rich Securities Limited to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO; (2) the SFC licensed status of Grand Rich Futures Limited to carry out type 2 (dealing in futures contracts) and type 5 (advising on futures contracts) regulated activities under the SFO; and (3) the general financial position of the Target Group.

Conditions Precedent

Completion of the Agreement is subject to and conditional upon satisfaction of, among others, the following conditions precedent or waived by the Purchasers before the Long Stop Date:

- (a) the Sale Shares remaining free from encumbrances;
- (b) the type 1 (dealing in securities), type 4 (advising on securities), type 2 (dealing in futures contracts) and type 5 (advising on futures contracts) held by the Target Group remaining valid and not revoked;
- (c) the Target Group not having been disciplined by the SFC;
- (d) the SFC website having updated the information on the substantial shareholders of Grand Rich Securities Limited and Grand Rich Futures Limited; and
- (e) no major change to the management of the Target Group, and no action having been taken by the management of the Target Group which has material adverse effects on the business, assets, properties, financial position, operation and prospect of the Target Group.

If the conditions have not been fulfilled or waived by the Purchasers in accordance with the Agreement on the Long Stop Date, the Agreement shall lapse, whereupon all rights and obligations of the parties shall cease to have effect except that the Vendor shall return all the moneys already paid by the Purchaser pursuant to the Agreement. The Vendor agrees to inform the Purchasers if the Vendor becomes aware of any matter which may cause the non-fulfilment of any of the conditions before the Completion.

Completion

Completion shall take place within three Business Days after the conditions are satisfied or otherwise waived by the Purchasers pursuant to the Agreement, but no later than the Long Stop Date.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Group is principally engaged in the fashion accessories businesses, which involves the wholesale of a wide selection of fashion accessories products.

In October 2017, the Group acquired the entire equity interests in Viennois Online Limited and 廣州唯亞智能科技有限公司 (Guangzhou Wei Ya Smart Technology Limited*) (collectively “**Online Platform Group**”). The Online Platform Group is principally engaged in the business of operating online platforms providing fashion jewellery products listing services to business customers all over the world. Subsequent to this acquisition, the Group commenced its business of integrated fashion accessories platform segment, and this new business segment brought approximately HK\$51,320,000 revenue to the Group during the financial year ended 31 March 2018 (the “**Year**”). Since the acquisition of the Online Platform Group during the Year, the Group has decided to allocate more resources on the development of the integrated fashion accessories platform segment which is expected to generate more revenue and with larger potential growth.

The SFO licences of the Target Group were granted in April 2018 but the Target Group has not since commenced business in relation to licensed regulated activities. In view of the aforesaid, the Board considers that the Disposal will align with the focus and future development strategies of the Group, which will benefit the Group’s business development and the interests of the Shareholders as a whole in the future.

The Board considers that the Disposal represents an opportunity for the Group to realise its investment in the Target Group. It is intended that the net proceeds from the Disposal will be applied for the general working capital of the Group.

After taking into account the above factors, the Directors consider that the terms and conditions of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PURCHASERS

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchasers and their respective associates, are not connected persons of the Company and are Independent Third Parties.

FINANCIAL IMPACT OF THE DISPOSAL

It is expected that, upon Completion, the Group will record a gain on the Disposal of approximately HK\$8,500,000, which is calculated with reference to (i) the Consideration; (ii) the unaudited consolidated net assets value of the Target Group as at 30 June 2018 of approximately HK\$Nil; and (iii) the assignment of debts owing by the Target Company to the Company as at 30 June 2018 of approximately HK\$10,399,000. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the final audit by the auditor of the Company.

THE LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Completion of the Disposal is subject to the fulfillment (or waiver) of the conditions precedent under the Agreement. As the Disposal may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 3 July 2017 and will remain suspended until further notice.

DEFINITIONS

The following terms shall have the following meanings ascribed to them respectively in this announcement unless the context otherwise requires:

“Agreement”	the sale and purchase agreement between the Purchasers and the Vendor as at the date hereof in respect of the Disposal
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or a day in which No. 8 typhoon signal or black rainstorm warning is hoisted between 9:00am and 12 noon), on which licensed banks are generally open for business in Hong Kong
“Company”	Primeview Holdings Limited 領視控股有限公司, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 789)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Completion Date”	the date falling within three Business Days after the conditions precedent pursuant to the Agreement are being fulfilled, but no later than the Long Stop Date
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal, being the aggregate of (i) HK\$8,500,000; and (ii) the amount of the Sale Loan
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor pursuant to the Agreement
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons (as defined in the Listing Rules) in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	26 October 2018
“Purchasers”	陳龍 (Chen Long*), 李俊杰 (Li Jun Jie*) and 李修慧 (Li Xiu Hui*)
“Sale Loan”	all debts owing by the Target Company to the Company as at the Completion Date
“Sale Shares”	100 shares in the Target Company, representing the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the Share(s)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571, as amended, of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Huan Hai Limited (環海有限公司), a company incorporated under the laws of Samoa, which is wholly owned by the Vendor
“Target Group”	the Target Company and its subsidiaries, namely (1) Grand Rich Securities Limited (浩豐證券有限公司); (2) Grand Rich Futures Limited (浩豐期貨有限公司); and (3) Grand Rich Asset Management Limited (浩豐資產管理有限公司)
“Vendor”	Artist Star International Development Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Primeview Holdings Limited
Tse Hoi Chau
Chairman

Hong Kong, 31 July 2018

* *English translation of the name for identification purpose only*

As at the date of this announcement, the executive Directors are Mr. Tse Hoi Chau (Chairman), Mr. Lin Shao Hua, Mr. Leung Yiu Cho and Ms. Yu Zhonglian; and the independent non-executive Directors are Mr. Lau Fai Lawrence, Mr. Lau Yiu Kit and Mr. Zeng Zhaohui.