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king fook holdings limited
景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

(the “Company”)

DISCLOSEABLE TRANSACTION

The Vendor, a wholly owned subsidiary of the Company, entered into a provisional agreement for sale and purchase on 3rd May, 2012 for the disposal of the Property to the Purchaser at the cash price of HK\$100 million.

The Purchaser is not connected with the Company, any directors, chief executive officer or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

The Agreement constitutes a discloseable transaction of the Company under the Listing Rules.

PROVISIONAL AGREEMENT FOR SALE AND PURCHASE DATED 3RD MAY, 2012 (THE “AGREEMENT”)

Parties:

Vendor: King Fook Jewellery Group Limited (formerly known as “King Fook Gold & Jewellery (Kowloon) Company Limited”) (the “Vendor”), a wholly owned subsidiary of the Company

Purchaser: Wong See Wai or his nominee(s) (the “Purchaser”)

Assets disposed:

The property at Shop on Ground Floor and Storage on the Cockloft of Sze Yuen Mansion, Nos. 253-255 Sha Tsui Road, Tsuen Wan, New Territories (the "Property").

The Property is a corner shop comprising two adjoining units on the ground and mezzanine floors of a 7-storey composite building completed in 1968. The saleable area of the Property is approximately 1,790 sq.ft. on the ground floor and 1,346 sq.ft. on the cocklofts. The ground floor and portion of the cocklofts of the Property is used by the Vendor as a jewellery shop and ancillary office while the remaining part of the cocklofts is leased to a bank as its office.

The Property had a book value of HK\$4,561,238 as at 31st March, 2012.

Consideration:

HK\$100 million in cash

The consideration was arrived at after arm's length negotiations and with reference to the prevailing market prices of similar properties.

The directors of the Company consider that the terms of disposal are fair and reasonable and in the interests of the shareholders as a whole.

There is a gain of about HK\$94,600,000 over book value arising on the disposal.

Payment terms:

The purchase price shall be paid in cash as follows:

1. an initial deposit of HK\$10 million upon signing of the Agreement; and
2. the balance of HK\$90 million on completion.

Use of proceeds:

The proceeds of the disposal will be used as additional working capital.

Completion date:

The Agreement is expected to be completed on or before 2nd November, 2012.

REASONS FOR THE TRANSACTIONS

The Vendor entered into the Agreement to realise its gain on the investment in the Property.

CONNECTION BETWEEN THE PARTIES

The Company confirms that, to the best of the directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and his beneficial owners are independent third parties not connected with the Company, any directors, chief executive officer or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

INFORMATION FOR SHAREHOLDERS

The Company and its subsidiaries are principally engaged in retailing of gold ornaments, jewellery, watches and gifts, trading of bullion, wholesaling of diamond and securities broking.

For the Company, the Agreement is a discloseable transaction under the Listing Rules.

By Order of the Board
Yeung Ping Leung, Howard
Chairman

Hong Kong, 3rd May, 2012

As at the date of this announcement, the executive Directors are Mr. Yeung Ping Leung, Howard, Mr. Tang Yat Sun, Richard, Mr. Cheng Ka On, Dominic, Mr. Yeung Bing Kwong, Kenneth and Ms. Fung Chung Yee, Caroline, the non-executive Directors are Mr. Wong Wei Ping, Martin, Mr. Ho Hau Hay, Hamilton, Mr. Sin Nga Yan, Benedict and Mr. Yeung Ka Shing; and the independent non-executive Directors are Mr. Lau To Yee, Mr. Cheng Kar Shing, Peter and Mr. Chan Chak Cheung, William.