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CEC-COILS®
CEC INTERNATIONAL HOLDINGS LIMITED
CEC 國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 759)

DISCLOSEABLE TRANSACTION
PROPOSED DISPOSAL OF AN INVESTMENT PROPERTY

The Vendor and the Purchaser entered into the Provisional Agreement on 6 September 2017 in relation to the Disposal for a consideration of HK\$52,000,000, which will be settled by the Purchaser in the following manner:

- (a) a sum of HK\$2,600,000, being the initial deposit and partial payment of the consideration, was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement on 6 September 2017;
- (b) a sum of HK\$2,600,000, being the further deposit and partial payment of the consideration, shall be paid by the Purchaser to the Vendor on or before 20 September 2017; and
- (c) the balance of the consideration in the sum of HK\$46,800,000 shall be paid by the Purchaser to the Vendor upon Completion on or before 6 December 2017.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios of the Disposal under the Listing Rules exceed(s) 5% and all are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Directors would like to announce that, on 6 September 2017, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchasers.

THE PROVISIONAL AGREEMENT

Parties:

Vendor: Coils Electronic Co., Limited, an indirect wholly-owned subsidiary of the Company

Purchaser: Good On Properties Limited, an independent third party

Asset to be disposed of:

Pursuant to the Provisional Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property subject to and upon the terms and conditions thereof, including the signing of a formal sale and purchase agreement on or before 20 September 2017 by the Vendor and the Purchaser.

The Property is a factory unit on the Ground Floor of Sing Win Factory Building located at Nos. 15-17 Shing Yip Street, Kowloon, Hong Kong.

Pursuant to the Provisional Agreement, the Property will be sold on an “as is” basis and subject to the existing tenancy.

Consideration:

The consideration of the Property is HK\$52,000,000 which will be settled by the Purchaser in the following manner:

- (a) a sum of HK\$2,600,000, being the initial deposit and partial payment of the consideration, was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement on 6 September 2017;
- (b) a sum of HK\$2,600,000, being the further deposit and partial payment of the consideration, shall be paid by the Purchaser to the Vendor on or before 20 September 2017; and
- (c) the balance of the consideration in the sum of HK\$46,800,000 shall be paid by the Purchaser to the Vendor upon Completion on or before 6 December 2017.

Completion:

Pursuant to the Provisional Agreement, Completion shall take place on or before 6 December 2017.

REASONS FOR THE DISPOSAL:

The Property was previously purchased by the Group for operation purpose. Taking into consideration the Group ceased its operation at the Property and leased out the Property in April 2017, the Directors consider that the Disposal would realise its investment value as well as reduce the Group’s gearing. The Directors consider that it is an opportune time for the Disposal and the terms of the Disposal, which are at normal commercial terms, are fair and reasonable and in the interests of the Group and its shareholders as a whole.

INFORMATION ABOUT THE GROUP AND THE PURCHASER

The Group is principally engaged in (i) retail of food and beverage, household and personal care products, (ii) design, development, manufacture and sale of a wide range of coils, ferrite powder and other electronic components, and (iii) investment property holding.

The Purchaser is principally engaged in investment. The Directors confirm that, having made all reasonable enquiry and to the best of their knowledge, information and belief, the Purchaser and its ultimate shareholder(s) are third parties independent of, and not connected with, the Company and the connected persons of the Company (as defined under the Listing Rules).

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

The Property was acquired by the Group at a consideration of HK\$42.8 million in April 2015. The fair value of the Property, with reference to its open market value appraised by external professional valuer as at 31 August 2017, is HK\$52 million. The aggregate consideration to be received by the Group in respect of the Disposal upon Completion will be HK\$52 million. The Directors intend to use the proceeds arising from the Disposal for reducing bank borrowings and as general working capital purpose.

GENERAL

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

TERMS USED IN THIS ANNOUNCEMENT

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

“Company”	CEC International Holdings Limited (CEC國際控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 759)
“Completion”	Completion of the Disposal in accordance with the terms and conditions of the Provisional Agreement
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Disposal”	the disposal of the Property subject to and upon the terms and conditions of the Provisional Agreement and the Formal Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Factory Unit 1 on Ground Floor, Sing Win Factory Building, Nos. 15-17 Shing Yip Street, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase of the Property dated 6 September 2017 entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	Good On Properties Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Coils Electronic Co., Limited, an indirect wholly-owned a subsidiary of the Company
“%”	per cent

By Order of the Board
CEC International Holdings Limited
Lam Wai Chun
Chairman

Hong Kong, 8 September 2017

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Lam Wai Chun, Ms. Tang Fung Kwan and Mr. Ho Man Lee; and three Independent Non-executive Directors, namely Mr. Au Son Yiu, Mr. Chan Chiu Ying and Mr. Goh Gen Cheung.

* *For identification purpose only*