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K W NELSON INTERIOR DESIGN AND CONTRACTING GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8411)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES

The Board is pleased to announce that on 28 February 2019, the Group acquired an aggregate of 7,000,000 Affluent Shares in the open market for an aggregate consideration of approximately HK\$7.6 million (excluding stamp duty and related expenses).

The Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules as one of the applicable percentage ratios (as defined under the GEM Listing Rules) of the Acquisition exceed 5% but less than 25%, and accordingly the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules and are subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE ACQUISITION

The Board is pleased to announce that on 28 February 2019, the Group acquired an aggregate of 7,000,000 Affluent Shares in the open market for an aggregate consideration of approximately HK\$7.6 million (excluding stamp duty and related expenses).

As all the 7,000,000 Affluent Shares acquired by the Group under the Acquisition were acquired in the open market, the Company is not aware of the identities of the seller(s) of such Affluent Shares and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the seller(s) of such Affluent Shares and their ultimate beneficial owners is an Independent Third Party.

Assets to be acquired

Immediately before the Acquisition, the Group did not hold any Affluent Shares. Immediately upon settlement of the Acquisition, the Group will hold 7,000,000 Affluent Shares, representing approximately 0.4% of the issued share capital of Affluent.

Consideration

The aggregate consideration of the Acquisition was approximately HK\$7.6 million (excluding stamp duty and related expenses). As the Acquisition was conducted in the open market, the price in each trade represented the then market price of the Affluent Shares at the time of Acquisition.

The consideration of the Acquisition has been funded by the internal resources of the Group.

INFORMATION OF THE AFFLUENT

Affluent is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1466). According to the interim report of Affluent dated 29 November 2018, Affluent and its subsidiaries are principally engaged in the (i) the purchasing, processing, designing, production and wholesale distribution of pearls and jewellery products and (ii) the operation of strategic investment and financial services segment, with the objective to include investments in real estate agency business and real estate investment funds and other potential investment opportunities.

The following information is extracted from the interim report of Affluent for the period ended 30 September 2018:

	Six months ended 30	
	September	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	88,782	107,014
(Loss) before tax	(14,995)	(12,466)
(Loss) after tax	(14,796)	(13,171)

The unaudited consolidated total asset value and net asset value of Affluent as at 30 September 2018 was approximately HK\$237,765,000 and HK\$217,179,000 respectively.

REASONS FOR ENTERING INTO THE ACQUISITION

All the Affluent Shares acquired by the Group under the Acquisition will be held by the Group for medium to long-term investment purpose.

Given that all the Affluent Shares acquired under the Acquisition were acquired in the open market of the Stock Exchange, the Directors (including the independent non-executive Directors) consider that all the Affluent Shares were acquired at the then prevailing market prices and terms of the Acquisition are on normal commercial terms and are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules as one of the applicable percentage ratios (as defined under the GEM Listing Rules) of the Acquisition exceed 5% but less than 25%, and accordingly the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules and are subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Acquisition”	the acquisition of an aggregate of 7,000,000 Affluent Shares by the Group in the open market for an aggregate consideration of HK\$7.6 million (excluding stamp duty and related expenses) on 28 February 2019;
“Affluent”	Affluent Partners Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board (stock code: 1466);
“Affluent Shares”	ordinary shares of HK\$0.002 each in the share capital of Affluent;
“Board”	the board of Directors;
“Company”	K W Nelson Interior Design and Contracting Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM;
“Director(s)”	the director(s) of the Company;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	a party(ies) independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board
K W Nelson Interior Design and Contracting Group Limited
Lau King Wai
Chairman & chief executive officer

Hong Kong, 28 February 2019

As at the date of this announcement, the Board comprises Mr. Lau King Wai, Ms. Leung May Yan and Mr. Wong Siu Hong Edward as executive Directors, and Mr. Li Wai Kwan, Mr. Hui Harry Chi and Ms. So Patsy Ying Chi as independent non-executive Directors.

This announcement, for which the Directors 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 enquiries, 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 “Latest Company Announcement” page of the website of GEM at www.hkgem.com for at least seven days from the day of its posting and on the website of the Company at www.kwnelson.com.hk