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SHINHINT ACOUSTIC LINK HOLDINGS LIMITED

成謙聲匯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2728)

- (1) DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF TAI SING INDUSTRIAL COMPANY LIMITED CONSTITUTING MAJOR TRANSACTION AND CONNECTED TRANSACTION;**
- (2) SUPPLY AGREEMENT AND R&D SERVICE AGREEMENT CONSTITUTING CONTINUING CONNECTED TRANSACTIONS;**
- (3) FINANCIAL ASSISTANCE CONSTITUTING CONTINUING CONNECTED TRANSACTION; AND**
- (4) RESUMPTION OF TRADING**

THE DISPOSAL AGREEMENT

After trading hours of the Stock Exchange on 18 November 2013, the Vendor and the Purchaser entered into the Disposal Agreement, pursuant to which, among other things, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares at an aggregate consideration of HK\$122.2 million (subject to adjustment).

As at the date of this announcement, TSI is an indirect wholly-owned subsidiary of the Company and an investment holding company. The Disposed Group is principally engaged in the trading and manufacturing of moulds, headphones and speakers. Upon Completion, each of TSI and TSAT will cease to be a subsidiary of the Company and the Company will cease to hold any interest therein.

CONTINUING CONNECTED TRANSACTIONS

The Supply Agreement

Pursuant to the Disposal Agreement, upon Completion, CMI, an indirect wholly-owned subsidiary of the Company, shall enter into the Supply Agreement with TSI, an indirect wholly-owned subsidiary of the Company as at the date of this announcement and a company to be wholly owned by the Purchaser upon Completion, for the supply of speaker units to TSI by CMI for the period from 1 January 2014 to 31 December 2016.

The R&D Service Agreement

Pursuant to the Disposal Agreement, upon Completion, Shinhint Technology, an indirect wholly-owned subsidiary of the Company, shall enter into the R&D Service Agreement with TSAT, an indirect wholly-owned subsidiary of the Company as at the date of this announcement and a company to be indirectly and wholly owned by the Purchaser upon Completion, for the provision of research and development services by Shinhint Technology to TSAT for the period from 1 January 2014 to 31 December 2016.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal are higher than 25% but below 75%, the Disposal constitutes a major transaction for the Company and is subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser is an investment holding company and is wholly and beneficially owned by Mr. Cheung, who is a substantial shareholder, an executive Director and the Chairman of the Company, and is therefore a connected person of the Company. The Disposal therefore also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements and the approval of the Independent Shareholders at the EGM by way of poll.

The entering into of the Supply Agreement will constitute continuing connected transactions for the Company upon Completion. As the applicable percentage ratio in respect of the transactions under the Supply Agreement is more than 5%, the transactions under the Supply Agreement will constitute continuing connected transactions for the Company under the Listing Rules and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The entering into of the R&D Service Agreement will constitute continuing connected transactions for the Company upon Completion. Although the applicable percentage ratio in respect of the transactions under the R&D Service Agreement is less than 5%, the Company considers that the transactions under the R&D Service Agreement will constitute non-exempt continuing connected transactions for the Company upon Completion subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules on the basis that (a) the transactions under the R&D Service Agreement form part of the transactions contemplated under the Disposal Agreement; and (b) the R&D Service Agreement would become continuing connected transactions because TSAT will become an associate of the Purchaser after the Disposal Agreement is completed.

Financial assistance constituting continuing connected transaction

Based on the unaudited financial statement of the Disposed Group as at 31 October 2013, the net outstanding intra-group current account balances owed by the Disposed Group to the Remaining Group amounted to approximately HK\$35.3 million (the "Relevant Amount") which is interest-free and unsecured. The Relevant Amount will, upon Completion, become a financial assistance given by the Remaining Group to the Disposed Group, which will constitute continuing connected transaction for the Company subject to the reporting, annual review and announcement requirements under Rule 14A.41 of the Listing Rules on the basis that each member of the Disposed Group will become an associate of Mr. Cheung upon Completion. As the applicable percentage ratios in respect of the financial assistance given by the Remaining Group to the Disposed Group are more than 5%, if the terms of the financial assistance are varied or renewed after Completion, such financial assistance shall be further subject to the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules after such variation or renewal. In order for the Disposed Group to settle any amount due to the Remaining Group as soon as practicable after Completion, the Purchaser has undertaken with the Vendor that it shall, within six months after the Completion Date, procure the Disposed Group to repay the Relevant Amount or such outstanding amount which remains outstanding as at the Completion Date to the Company

(or any of its subsidiaries as the Company may direct) by remitting such amount to the bank account(s) as designated by the Company in writing or in such manner as agreed between the Parties.

As at the date of this announcement, Mr. Cheung and Pro Partner (his associate) together are interested in 111,251,473 Shares (comprising 3,596,000 Shares personally held by Mr. Cheung and 107,655,473 Shares held by Pro Partner) representing approximately 34.60% of the issued share capital of the Company. Mr. Cheung and his associate, Pro Partner, shall abstain from voting on the resolutions to be proposed at the EGM to approve the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

The Independent Board Committee will be established to advise the Independent Shareholders in relation to the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. An EGM will be convened to consider and approve the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. A circular containing, among other things, (i) details of the Disposal Agreement, the Supply Agreement, the R&D Service Agreement and the Proposed Annual Caps; (ii) the financial information of the Group; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iv) the advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (v) a notice convening the EGM together with the proxy form and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 12 December 2013 in accordance with the relevant requirements of the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company with effect from 9:00 a.m. on 19 November 2013 pending the publication of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 November 2013 following the publication of this announcement.

Shareholders and investors of the Company should note that the Disposal Agreement is conditional upon the fulfilment of certain conditions and the transactions contemplated under the Disposal Agreement may or may not proceed. Shareholders and investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

After the trading hours of the Stock Exchange on 18 November 2013, the Vendor and the Purchaser entered into the Disposal Agreement, the principal terms and conditions of which are set out below:

THE DISPOSAL AGREEMENT

Date

18 November 2013

Parties

Vendor: Shinhint Industries Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

Purchaser: Metro Star Investments Limited, a company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Cheung

The Purchaser is a company engaged in investment holding and is wholly and beneficially owned by Mr. Cheung, who is a substantial shareholder, an executive Director and the Chairman of the Company, and is therefore a connected person of the Company. Mr. Cheung and Pro Partner, his associate, together are interested in 111,251,473 Shares (comprising 3,596,000 Shares personally held by Mr. Cheung and 107,655,473 Shares held by Pro Partner), representing approximately 34.60% of the issued share capital of the Company as at the date of this announcement.

Assets to be disposed of

The Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares together with all rights attaching thereto, including all rights to any dividend or other distribution declared, made or paid on or after the Completion Date, and free from all encumbrances.

Consideration and payment terms

The initial consideration (the “Initial Consideration”) for the Sale Shares shall be HK\$122.2 million. The Initial Consideration was determined after arm’s length negotiations between the Parties with reference to the unaudited net asset value of the Disposed Group as at 31 October 2013 and taking into account the historical financial performance of the Disposed Group in recent years.

As soon as possible after signing of the Disposal Agreement, the Vendor shall, at its own expense, instruct an independent valuer (the “Valuer”) to conduct a valuation to ascertain the fair value of the Disposed Group as at 31 October 2013. Upon the determination of the fair value of the Disposed Group as shown in the valuation report (the “Valued Amount”) to be issued by the Valuer prior to Completion, if the Valued Amount and the Initial Consideration differ, the Consideration shall be equal to the Initial Consideration or the Valued Amount, whichever is higher.

The Consideration will be settled by the Purchaser in cash within 30 calendar days after the Completion Date by delivering a cashier order drawn on a licensed bank in Hong Kong in favour of the Vendor (or as it may direct) or in such other manner as may be agreed between the Parties.

Financial assistance constituting continuing connected transaction

Based on the unaudited financial statement of the Disposed Group as at 31 October 2013, the net outstanding intra-group current account balances owed by the Disposed Group to the Remaining Group amounted to approximately HK\$35.3 million (the “Relevant Amount”) which is interest-free and unsecured. The Relevant Amount will, upon Completion, become a financial assistance given by the Remaining Group to the Disposed Group, which will constitute continuing connected transaction for the Company subject to the reporting, annual review and announcement requirements under Rule 14A.41 of the Listing Rules on the basis that each member of the Disposed Group will become an associate of Mr. Cheung upon Completion. As the applicable percentage ratios in respect of the financial assistance given by

the Remaining Group to the Disposed Group are more than 5%, if the terms of the financial assistance are varied or renewed after Completion, such financial assistance shall be further subject to the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules after such variation or renewal. In order for the Disposed Group to settle any amount due to the Remaining Group as soon as practicable after Completion, the Purchaser has undertaken with the Vendor that it shall, within six months after the Completion Date, procure the Disposed Group to repay the Relevant Amount or such outstanding amount which remains outstanding as at the Completion Date to the Company (or any of its subsidiaries as the Company may direct) by remitting such amount to the bank account(s) as designated by the Company in writing or in such manner as agreed between the Parties.

Conditions precedent

Completion is conditional upon the fulfilment of the following Conditions:

- (1) The passing by the Shareholders (other than such Shareholders who are required to abstain from voting under the Listing Rules) of all necessary resolutions by way of poll at the EGM approving the Disposal Agreement and the transactions contemplated thereunder (including the transactions contemplated under the Supply Agreement and the R&D Service Agreement);
- (2) The Corporate Guarantees having been duly released; and
- (3) All other requisite consents, authorisations and approvals (or as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the Disposal Agreement having been obtained by the respective Parties.

The above Conditions are not waivable by the Parties. In the event that the Conditions shall not have been fulfilled on or prior to the Long Stop Date, neither the Vendor nor the Purchaser shall be bound to proceed with the sale and purchase of the Sale Shares and the Disposal Agreement shall be terminated and no Party shall have any claim against each other save for any antecedent breach of the Disposal Agreement.

Completion

Completion shall take place on the Completion Date. Upon Completion, each of TSI and TSAT will cease to be a subsidiary of the Company and the Company will cease to hold any interest therein.

Upon Completion, the Disposed Group will be principally engaged in the trading and manufacturing of moulds, headphones and speakers and the Remaining Group will be principally engaged in the trading and manufacturing of speaker units and provision of consultancy services in connection with research and development of headphones and speaker products.

The Board is of the view that the respective businesses to be engaged by the Remaining Group and the Disposed Group immediately after Completion are clearly delineated and will not or are not likely to compete, either directly or indirectly, with each other.

INFORMATION ON THE PURCHASER

The Purchaser, a company incorporated in the Republic of Seychelles, is wholly owned by Mr. Cheung and is an investment holding company.

INFORMATION ON THE DISPOSED GROUP

The Disposed Group is principally engaged in the trading and manufacturing of moulds, headphones and speakers.

The table below sets forth the unaudited financial information of the Disposed Group:

	For the year ended	
	31 December	
	2011	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss before taxation	46,148	35,205
Net loss after taxation	43,421	35,954

The unaudited net asset value of the Disposed Group as at 31 October 2013 amounted to approximately HK\$122.2 million. According to the interim report of the Company for the six months ended 30 June 2013, the unaudited segment gain of the Disposed Group is approximately HK\$8.2 million.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the Initial Consideration of the Disposal of HK\$122.2 million and the estimated professional fees and all related expenses for the Disposal of approximately HK\$1.3 million, and with reference to the unaudited financial results of the Disposed Group as at 31 October 2013, the expected book loss on the Disposal will be approximately HK\$1.3 million. The actual book gain or loss derived from the Disposal would vary and depend on (i) the amount of the Valued Amount as shown in the valuation report to be issued by the Valuer prior to Completion; (ii) the profit or loss of the Disposed Group up to the date of the Completion Date and is subject to final audit to be performed by the Company's auditors; and (iii) the amount of professional fees and all related expenses for the consummation of the Disposal and the transactions contemplated thereunder.

USE OF PROCEEDS

Subject to adjustment of the Initial Consideration as mentioned in the paragraph headed "Consideration and Payment Terms" of this announcement, the net proceeds from the Disposal estimated to be approximately HK\$120.9 million, which is arrived at after deducting the estimated expenses of approximately HK\$1.3 million relating to the Disposal (being the sum of professional fees), shall be used for general working capital of the Remaining Group which in turn will allow the Remaining Group to re-deploy more resources towards the remaining businesses of the Remaining Group and other business opportunities of the Remaining Group as may be identified by the Board from time to time that can broaden the profitability of the Remaining Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activities of the Group are (i) the trading and manufacturing of moulds, headphones and speakers; and (ii) the trading and manufacturing of speaker units.

As stated above, the unaudited net loss after taxation of the Disposed Group amounted to approximately HK\$43.4 million and HK\$36.0 million for the two financial years ended 31 December 2011 and 2012 respectively. The Directors consider that the Disposal presents a good opportunity for the Group to dispose of the Disposed Group on the following grounds:

- (a) The operating results of the Disposed Group were unsatisfactory, incurring (i) a net loss before taxation of approximately HK\$46.1 million and a net loss after taxation of approximately HK\$43.4 million for the year ended 31 December 2011 and (ii) a net loss before taxation of approximately HK\$35.2 million and a net loss after taxation of approximately HK\$35.9 million for the year ended 31 December 2012;

- (b) The Disposal provides an opportunity to generate considerable cash inflow to the Remaining Group to increase its working capital and/or funding for exploring other potential business and investment opportunities; and
- (c) The Consideration is equal to the unaudited net asset value of the Disposed Group as at 31 October 2013 or the fair value of the Disposed Group as shown in the valuation report to be issued by the Valuer prior to Completion, whichever is higher.

Based on the above, the Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser to the Independent Board Committee) consider that the terms of the Disposal Agreement are on arm's length basis, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE SUPPLY AGREEMENT

Upon Completion, CMI will, pursuant to the Disposal Agreement, enter into the Supply Agreement with TSI in relation to the supply of speaker units by CMI to TSI. The Supply Agreement will be, subject to Completion, entered into by CMI and TSI on the Completion Date.

Since TSI will become indirectly and wholly owned by Mr. Cheung upon Completion, the transactions contemplated under the Supply Agreement will constitute continuing connected transactions under the Listing Rules upon Completion. The principal terms of the Supply Agreement are set out below:

Parties:	1.	Supplier:	CMI, an indirect wholly-owned subsidiary of the Company as at the date of this announcement and a member of the Remaining Group after Completion; and
	2.	Purchaser:	TSI, an indirect wholly-owned subsidiary of the Company as at the date of this announcement and a member of the Disposed Group after Completion
Term:			The term of the Supply Agreement shall be for a period from 1 January 2014 to 31 December 2016

Nature of transactions:	Supply of speaker units by CMI to TSI
Pricing basis:	The purchase price for speaker units to be charged by CMI shall be determined on normal commercial terms and shall not be less favourable than the prevailing prices that CMI charges its independent customers from time to time
Annual caps:	HK\$36 million for the year ending 31 December 2014 HK\$47 million for the year ending 31 December 2015 HK\$58 million for the year ending 31 December 2016
	The Annual Caps for the Supply Agreement for the three years ending 31 December 2016 are determined with reference to the actual amount of supply of speaker units supplied by CMI to TSI for the period from 1 January 2013 to 31 October 2013 of approximately HK\$21 million, the production capacity of the Remaining Group for the production of speaker units and TSI's expected demand for speaker units projected by TSI for the three years ending 31 December 2016.

Reasons for and benefits of the Supply Agreement

TSI is principally engaged in the trading and manufacturing of moulds, headphones and speakers and a wholly-owned subsidiary of CMI is principally engaged in the manufacturing of speaker units. TSI has been sourcing speaker units from CMI. It is expected that the Supply Agreement will continue to allow the Remaining Group to utilise its expertise and capacity in the manufacturing of speaker units and generate additional revenue for the Remaining Group in view of TSI's demand of speaker units for the manufacturing operation of the Disposed Group. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser to the Independent Board Committee) consider that the terms of the Supply Agreement are on arm's length basis, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE R&D SERVICE AGREEMENT

Upon Completion, Shinhint Technology will, pursuant to the Disposal Agreement, enter into the R&D Service Agreement with TSAT for the provision of research and development services to TSAT. The R&D Service Agreement will be, subject to Completion, entered into by Shinhint Technology and TSAT on the Completion Date.

Since TSAT will become beneficially and indirectly wholly owned by Mr. Cheung upon Completion, the transactions contemplated under the R&D Service Agreement will constitute continuing connected transactions under the Listing Rules upon Completion. The principal terms of the R&D Service Agreement are set out below:–

- Parties:
1. Shinhint Technology, an indirect wholly-owned subsidiary of the Company and a member of the Remaining Group after Completion; and
 2. TSAT, a wholly-owned subsidiary of TSI and a member of the Disposed Group after Completion
- Term: The term of the R&D Service Agreement shall be for a period from 1 January 2014 to 31 December 2016
- Nature of transactions: Provision of services by Shinhint Technology to TSAT in connection with the research and development of headphones and speaker products (the “R&D Service”)
- Pricing basis: The service fee for the provision of the R&D Service to be charged by Shinhint Technology shall be determined on normal commercial terms and shall not be less favourable than the service fee that Shinhint Technology charges an Independent Third Party from time to time
- Annual caps: HK\$10 million for the year ending 31 December 2014
- HK\$10 million for the year ending 31 December 2015
- HK\$10 million for the year ending 31 December 2016

The Annual Caps for the R&D Service Agreement for the three years ending 31 December 2016 are determined with reference to the historical amount of R&D service fee paid to Shinhint Technology by TSAT for the period from 1 January 2013 to 31 October 2013 of approximately HK\$5 million, TSAT's expected demand for the R&D Service projected by TSAT and the costs expected to be incurred by Shinhint Technology in providing the R&D Service.

Reasons for and benefits of the R&D Service Agreement

The Disposed Group will be principally engaged in the trading and manufacturing of moulds, headphones and speakers after Completion while Shinhint Technology is principally engaged in the research and development of headphones and speaker products. To enable the Disposed Group to have continual support in respect of research and development for its manufacturing operation, Shinhint Technology has agreed to provide the R&D Service to TSAT that will allow the Remaining Group to utilise its capability in the research and development of headphones and speaker products and generate additional revenue for the Remaining Group. The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser to the Independent Board Committee) consider that the terms of the R&D Service Agreement are on arm's length basis, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal are higher than 25% but below 75%, the Disposal constitutes a major transaction for the Company and is subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Purchaser is an investment holding company and is wholly and beneficially owned by Mr. Cheung, who is a substantial shareholder, an executive Director and the Chairman of the Company, and is therefore a connected person of the Company. The Disposal therefore also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements and the approval of the Independent Shareholders at the EGM by way of poll.

The entering into of the Supply Agreement will constitute continuing connected transactions for the Company upon Completion. As the applicable percentage ratio in respect of the transactions under the Supply Agreement is more than 5%, the transactions under the Supply Agreement will constitute continuing connected transactions for the Company under the Listing Rules and are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The entering into of the R&D Service Agreement will constitute continuing connected transactions for the Company upon Completion. Although the applicable percentage ratio in respect of the transactions under the R&D Service Agreement is less than 5%, the Company considers that the transactions under the R&D Service Agreement will constitute non-exempt continuing connected transactions for the Company upon Completion subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules on the basis that (a) the transactions under the R&D Service Agreement form part of the transactions contemplated under the Disposal Agreement; and (b) the R&D Service Agreement would become continuing connected transactions because TSAT will become an associate of the Purchaser after the Disposal Agreement is completed.

As at the date of this announcement, Mr. Cheung and Pro Partner (his associate) together are interested in 111,251,473 Shares (comprising 3,596,000 Shares personally held by Mr. Cheung and 107,655,473 Shares held by Pro Partner) representing approximately 34.60% of the issued share capital of the Company as at the date of this announcement). Mr. Cheung and his associate, Pro Partner, shall abstain from voting on the resolutions to be proposed at the EGM to approve the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

The Independent Board Committee will be established to advise the Independent Shareholders in relation to the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. An EGM will be convened to consider and approve the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. A circular containing, among other things, (i) details of the Disposal Agreement, the Supply Agreement, the R&D Service Agreement and the Proposed Annual Caps; (ii) financial information of the Group; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iv) the advice of the

independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (v) a notice convening the EGM together with the proxy form and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 12 December 2013 in accordance with the relevant requirements of the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company with effect from 9:00 a.m. on 19 November 2013 pending the publication of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 November 2013 following the publication of this announcement.

Shareholders and investors of the Company should note that the Disposal Agreement is conditional upon the fulfilment of certain conditions and the transactions contemplated under the Disposal Agreement may or may not proceed. Shareholders and investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	means the board of directors of the Company
“Business Day”	means a day (excluding Saturdays and Sundays and public holidays and days on which a tropical cyclone warning No. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks generally are open in Hong Kong for the transaction of normal banking business

“CMI”	means Crown Million Industries (International) Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Company”	means Shinhint Acoustic Link Holdings Limited (Stock Code: 2728), a company incorporated in the Cayman Islands whose Shares are listed on the Stock Exchange
“Completion”	means the completion of the Disposal pursuant to the Disposal Agreement
“Completion Date”	means the earlier of the third Business Day after the day on which the last of the Conditions is fulfilled and 31 December 2013 (or such other date as the Parties may agree in writing and in any event not later than three months after the day on which the last of the Conditions is fulfilled)
“Conditions”	means the conditions for Completion pursuant to the Disposal Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	means the aggregate consideration of HK\$122.2 million (subject to adjustment) for the sale and purchase of the Sale Shares under the Disposal Agreement
“Corporate Guarantees”	means (a) the corporate guarantee given by the Company to secure the indebtedness of TSI to the extent of HK\$15,000,000; and (b) the corporate guarantee given by TSI to secure the indebtedness of CMI to the extent of US\$4,000,000
“Directors”	means the directors of the Company

“Disposal”	means the sale of the Sale Shares by the Vendor to the Purchaser on the terms and subject to the conditions set out in the Disposal Agreement
“Disposal Agreement”	means the conditional sale and purchase agreement dated 18 November 2013 entered into between the Vendor and the Purchaser in relation to the Disposal
“Disposed Group”	means TSI and TSAT
“EGM”	means the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Agreement, the Supply Agreement, the R&D Service Agreement and the Proposed Annual Caps and the transactions contemplated thereunder
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	means an independent board committee of the Company comprising all the independent non-executive Directors to be established for the purpose of considering and advising the Independent Shareholders in connection with the Disposal Agreement, the Supply Agreement, the R&D Service Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Independent Third Party(ies)”	means third party(ies) who is independent of and not connected with the Company and its connected persons
“Independent Shareholder(s)”	means Shareholder(s) other than Mr. Cheung, Pro Partner and their respective associates

“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	means 31 January 2014, or such later date as the Parties may agree in writing
“Mr. Cheung”	means Mr. Cheung Wah Keung, a substantial shareholder of the Company and an executive Director and the Chairman of the Company as at the date of this announcement
“Parties”	means the Vendor and the Purchaser
“PRC”	means the People’s Republic of China (excluding, for the purposes of this announcement, Hong Kong, Macau and Taiwan)
“Pro Partner”	means Pro Partner Developments Limited, a substantial shareholder of the Company as at the date of this announcement and a company wholly and beneficially owned by Mr. Cheung
“Proposed Annual Caps”	means the proposed annual caps for the transactions under the Supply Agreement and the R&D Service Agreement
“Purchaser”	means Metro Star Investments Limited, a company incorporated in the Republic of Seychelles and wholly and beneficially owned by Mr. Cheung
“Remaining Group”	means the Company and its subsidiaries excluding the Disposed Group
“R&D Service Agreement”	means the service agreement to be entered into between Shinhint Technology and TSAT upon Completion pursuant to the Disposal Agreement for the provision of research and development services

“Sale Shares”	means 5,000,000 ordinary shares in the share capital of TSI, representing the entire issued share capital of TSI beneficially owned by the Vendor as at the date of the Disposal Agreement
“Shareholders”	means the shareholders of the Company
“Shares”	means ordinary shares with a par value of HK\$0.01 each in the share capital of the Company
“Shinhint Technology”	means Shinhint Technology (Shenzhen) Limited (成謙科技(深圳)有限公司), a company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Supply Agreement”	means the supply agreement to be entered into between CMI as supplier and TSI as purchaser upon Completion pursuant to the Disposal Agreement for the supply of speaker units
“TSAT”	means Dongguan Tai Sing Audio Technology Limited (東莞泰升音響科技有限公司), a company incorporated in the PRC, an indirect wholly-owned subsidiary of the Company as at the date of this announcement and a member of the Disposed Group after Completion
“TSI”	means Tai Sing Industrial Company Limited, a company incorporated in Hong Kong, an indirect wholly-owned subsidiary of the Company as at the date of this announcement and a member of the Disposed Group after Completion

“Vendor” means Shinhint Industries Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

% means per cent

By order of the Board
Shinhint Acoustic Link Holdings Limited
Cheung Wah Keung
Chairman

Hong Kong, 21 November 2013

As at the date of this announcement, the Company has two executive Directors, namely Mr. Cheung Wah Keung (Chairman) and Mr. Wong Sau Lik, Weekly Peter and three independent non-executive Directors, namely Mr. Lai Ming, Joseph, Dr. Lam King Sun, Frankie and Mr. Goh Gen Cheung.