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Kwong Man Kee Group Limited

鄺文記集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8023)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE PROPERTY

THE ACQUISITION

The Board is pleased to announce that on 17 March 2025, the Purchaser entered into the Preliminary Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property at the Consideration of HK\$18,300,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Group and is therefore 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 17 March 2025, the Purchaser entered into the Preliminary Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property.

Principal terms of the Preliminary Agreement are as follows:

- Parties:
- (a) the Purchaser;
 - (b) the Vendor; and
 - (c) the Property Agent

Property:	Workshop A, G/F, On Shing Industrial Building, No. 2-16, Wo Liu Hang Road, Fo Tan, Sha Tin, New Territories and including thereto all the fixture and fittings.
	The Property is sold on an “as is” basis.
Consideration and payment terms:	The Consideration is in the sum of HK\$18,300,000, which shall be paid in the following manner: –
	(a) a sum of HK\$1,000,000 being the initial deposit (the “ Initial Deposit ”), was paid to the Vendor’s solicitor as stakeholder upon signing of the Preliminary Agreement;
	(b) a sum of HK\$830,000 being the further deposit (the “ Further Deposit ”, together with the Initial Deposit, the “ Deposits ”) shall be paid to the Vendor’s solicitor as stakeholder on or before 1 April 2025;
	(c) a sum of HK\$16,470,000, being the balance of the Consideration, shall be paid upon Completion.
Formal Agreement:	The Purchaser and the Vendor shall enter into the Formal Agreement on or before 1 April 2025.
Costs:	Ad valorem stamp duties in respect of the Acquisition shall be borne and paid by the Purchaser.
Commission to the Property Agent:	Commissions in the amount of HK\$183,000 shall respectively be paid by both the Purchaser and the Vendor to the Property Agent upon Completion.
Completion:	Completion shall take place on or before 2 June 2025. The Vendor shall deliver vacant possession of the Property to the Purchaser.

BASIS OF DETERMINATION OF CONSIDERATION

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor having regard or with reference to:

- (a) location of the Property;
- (b) the suitability of the layout of the Property for use as a warehouse; and
- (c) the prevailing market value of comparable properties available in the vicinity.

The Consideration shall be funded by internal resources and banking facilities available to the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group currently rents a warehouse in Yuen Long, Hong Kong. Having considered (i) the rental cost of the existing leased warehouses; (ii) the risk of relocation upon expiration or termination of the leases as the Group may not be able to renew the leases with comparable and/or commercially acceptable terms and conditions; (iii) the need for increased storage capacity; (iv) the reduction of transportation costs from the warehouse to each working site; (v) the importance of ensuring the continuity of its operations in the case of early termination or non-renewal of the Group's current lease; and (vi) the requirement and costs to catering for the Group's long-term operational needs, the Directors consider that it is in the interests of the Group to acquire the property as its self-owned warehouse. The acquisition will secure storage space for the goods of the Group, save rental, goods storage, and renovation expenses in the long run, and improve the efficiency of the Group's operations.

The Directors consider that the Acquisition and the terms of the Preliminary Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Group and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

GENERAL INFORMATION

The Group

The Group is a well-established contractor in the car park flooring industry in Hong Kong and Macau, providing (i) flooring services, which involve the application of proprietary floor coating products for the purpose of providing a colorful, slip-resistance, hard wearing surface that is resistant against water and petrochemicals; (ii) ancillary services, which include specialised texture painting and waterproofing works; and (iii) sales of flooring and waterproofing materials.

The Purchaser

The Purchaser is a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Group.

The Vendor

The Vendors are two residents of Hong Kong and are the executors acting under a probate grant from the Hong Kong court.

The Property Agent

The Property Agent is a company incorporated in Hong Kong with unlimited liability and is principally engaged in property agency services in Hong Kong.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Vendor, the Property Agent, and their respective ultimate beneficial owner(s) is a third party independent of the Group and its connected person(s).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below: –

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Preliminary Agreement
“Board”	the board of Directors
“Company”	Kwong Man Kee Group Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the GEM of the Stock Exchange (Stock code: 8023)
“Completion”	completion of the Acquisition
“Consideration”	the sum of HK\$18,300,000, being the purchase price of the Property
“Director(s)”	the director(s) of the Group
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor on or before 1 April 2025 in relation to the Acquisition
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Preliminary Agreement”	the preliminary sale & purchase agreement dated 17 March 2025 entered into among the Purchaser, the Vendor and the Property Agent in relation to the Acquisition
“Property”	Workshop A, G/F, On Shing Industrial Building, No. 2-16, Wo Liu Hang Road, Fo Tan, Sha Tin, New Territories and including thereto all the fixture and fittings
“Property Agent”	BrightHOME Real Estates (明家置業)

“Purchaser”	Kwong Man Kee Engineering Limited (鄺文記工程有限公司)
“Shareholder(s)”	Registered holder(s) of the share(s) of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Leung Tat Wan (梁達雲先生) and Mr. Leung Pak Luk Paul (梁栢祿先生)
“%”	per cent

By order of the Board
Kwong Man Kee Group Limited
Kwong Chi Man
Chairman and Executive Director

Hong Kong, 24 March 2025

As at the date of this announcement, the executive Directors are Mr. Kwong Chi Man and Mr. Yip Kong Lok and the independent non-executive Directors are Ms. Yu Wan Wah Amparo, Ms. To Yee Man and Mr. Wat Danny Hiu Yan.

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 Group. 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 Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting and the Company’s website at www.kmk.com.hk.