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Vico International Holdings Limited

域高國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1621)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY

ACQUISITION

The Board is pleased to announce that, on 10 January 2020, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the Consideration of HK\$30,000,000.00.

LISTING RULES IMPLICATION

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 10 January 2020, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the Consideration of HK\$30,000,000.00.

THE PRELIMINARY AGREEMENT

Date:

10 January 2020

Parties:

Purchaser : Power Max Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company; and

Vendor : Mok Chau King & Wong Wai Ming (joint tenant)

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor is an Independent Third Party.

Property to be acquired:

The Property is a warehouse located at 5/F of Metropolitan Industrial & Warehouse Building (No. 2), Nos. 216–218 Texaco Road, Tsuen Wan, New Territories, Hong Kong, with a saleable floor area of approximately 7,240 square feet. The Property is currently held by the Vendor for investment holding purpose.

Consideration:

The Consideration for the Acquisition is HK\$30,000,000.00 which shall be paid by the Purchaser to the Vendor as follows:

- (a) an initial deposit of HK\$1,500,000.00 has been paid upon signing of the Preliminary Agreement;
- (b) a further deposit of HK\$1,500,000.00 shall be paid upon signing of formal sale and purchase agreement on or before 23 January 2020; and
- (c) a further deposit of HK\$3,000,000.00 shall be paid on or before 9 April 2020; and
- (d) the remaining balance of the Consideration in the sum of HK\$24,000,000.00 shall be paid upon Completion which is scheduled to take place on or before 10 July 2020.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations with reference to, amongst other things, the current market value of comparable properties in the proximity of the Property. The Consideration will be financed by the Group's internal resources and/or borrowings.

Formal Agreement:

Pursuant to the terms of the Preliminary Agreement, the Vendor and the Purchaser shall enter into the Formal Agreement on or before 23 January 2020.

Completion:

Subject to the satisfaction of the conditions to the Formal Agreement, completion shall take place on or before 10 July 2020.

Stamp Duty

All ad valorem stamp duty on the Formal Agreement shall be borne by the Purchaser.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group is principally engaged in the distribution of third-party branded petrochemicals, the sales of its self-branded lubricant oil and provision of fleet cards service in Hong Kong.

The Purchaser is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is intended to be held by the Group for its own use as a warehouse. To cope with the business development and expansion of the Group, the Directors consider that the purchase of the Property is beneficial to the Group by providing additional storage space for the Group.

In view of the above, the Directors are of the view that the terms of the Preliminary Agreement are fair and reasonable and the entering into of the Preliminary Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Preliminary Agreement
“Board”	the board of Directors
“Company”	Vico International Holdings Limited (Stock Code: 1621), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Formal Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	HK\$30,000,000.00, being the total consideration payable to the Vendor by the Purchaser for the Acquisition
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property pursuant to the provisions of the Preliminary Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), 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)”	third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage ratios”	has the meaning as ascribed thereto under the Listing Rules

“Property”	5/F of Metropolitan Industrial & Warehouse Building (No. 2), Nos. 216–218 Texaco Road, Tsuen Wan, New Territories, Hong Kong
“Preliminary Agreement”	the preliminary sale and purchase agreement dated 10 January 2020 entered into between the Vendor and the Purchaser in relation to the acquisition of the Property
“Purchaser”	Power Max Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mok Chau King & Wong Wai Ming, the joint tenant
“%”	per cent

By order of the Board
Vico International Holdings Limited
Hui Pui Sing
Chairman and Executive Director

Hong Kong, 10 January 2020

As at the date of this announcement, the executive directors are Mr. Hui Pui Sing, Ms. Tong Man Wah, Mr. Hui Yip Ho Eric, Ms. Hui Wing Man Rebecca and Mr. Kong Man Ho, the non-executive director is Mr. Wong Chun Man and the independent non-executive directors are Mr. Chan Ching Sum, Mr. Tse Yung Hoi and Mr. Leung Ho Chi.