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HKC (HOLDINGS) LIMITED

香港建設(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 190)

(website: www.hkcholdings.com)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITIONS OF LISTED SECURITIES

THE ACQUISITIONS

The Board wishes to announce that during the period from 5 November 2019 to 11 May 2020 (both dates inclusive), the Group acquired on the open market a total of 1,743,500 SHK Properties Shares at an aggregate consideration of approximately HK\$184.6 million (exclusive of transaction costs) at an average price of approximately HK\$105.86 per SHK Properties Share.

As the Acquisitions were made through the open market, the Company is not aware of the identities of the sellers of the SHK Properties Shares. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of SHK Properties Shares and their respective ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

Each of the acquisition of the SHK Properties Shares by the Group, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

One or more than one of the applicable percentage ratios for the Acquisitions, when aggregated as a whole, is more than 5% and below 25%. As such, the Acquisitions, when aggregated as a whole, constitute a discloseable transaction of the Company, and are therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

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ASSETS ACQUIRED

Immediately before the Acquisitions, the Group did not hold any SHK Properties Shares. Immediately upon settlement of the acquisition of the SHK Properties Shares on 11 May 2020, the Group will hold an aggregate of 1,743,500 SHK Properties Shares, representing approximately 0.06% of the issued share capital of SHK Properties as at the date of this announcement.

CONSIDERATION

The aggregate consideration for the Acquisitions was approximately HK\$184.6 million, representing an average price of approximately HK\$105.86 per SHK Properties Share. As the Acquisitions were conducted on the open market, the price of each trade represented the then market price of the SHK Properties Shares at the relevant time of the Acquisitions.

The consideration of the Acquisitions has been funded by the Group's internal resources.

COMPLETION

Settlement for the 550,500 SHK Properties Shares acquired by the Group on 11 May 2020 will take place on the second trading day after the orders regarding such acquisition have been made.

INFORMATION ON SHK PROPERTIES

SHK Properties is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 16). The principal activities of SHK Properties and its subsidiaries are the development of and investment in properties for sale and rent, hotel operations, telecommunications, transport infrastructure and logistics, and data centre operations.

Set out below is a summary of certain audited consolidated financial information of SHK Properties for the two years ended 30 June 2019 as extracted from the annual report of SHK Properties for the year ended 30 June 2019:

	For the year ended 30 June 2019	For the year ended 30 June 2018
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(audited)	(audited)
Revenue	85,302	85,644
Profit before taxation	54,483	59,356
Profit after taxation	46,009	50,954

Based on the interim report of SHK Properties for the six months ended 31 December 2019, the unaudited net asset value of SHK Properties as at 31 December 2019 was approximately HK\$579,091 million.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is principally engaged in the business of property development and investment and renewable energy investment and operation. Having considered (i) the then financial performance and prospects of SHK Properties; (ii) the low interest rate environment in Hong Kong; and (iii) the financial position of the Group, the Company considered that the Acquisitions presented a good opportunity for the Group to utilize its available funds for a return, and the SHK Properties Shares acquired by the Group under the Acquisitions will be held by the Group for long-term investment purpose.

As the Acquisitions were made at market price and on the open market of the Stock Exchange, the Directors considered that the terms of the Acquisitions are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Each of the acquisition of the SHK Properties Shares by the Group, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

One or more than one of the applicable percentage ratios for the Acquisitions, when aggregated as a whole, is more than 5% and below 25%. As such, the Acquisitions, when aggregated as a whole, constitute a discloseable transaction of the Company, and are therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisitions”	: the acquisitions of a total of 1,743,500 SHK Properties Shares at an aggregate consideration of approximately HK\$184.6 million during the period from 5 November 2019 to 11 May 2020 (both dates inclusive)
“Board”	: the board of Directors
“Company”	: HKC (Holdings) Limited, a Bermuda company whose shares are listed on the main board of the Stock Exchange (stock code: 190)
“connected person(s)”	: has the meaning ascribed to it under the Listing Rules
“Directors”	: the directors of the Company
“Group”	: the Company and its subsidiaries
“Hong Kong”	: The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	: any person(s) or company(ies) and their respective ultimate beneficial owner, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is not connected persons of the Company and is third party independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	: the Rules Governing the Listing of Securities on the Stock Exchange
“SHK Properties”	: Sun Hung Kai Properties Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 16)
“SHK Properties Share(s)”	: Ordinary share(s) of SHK Properties
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“%”	: per cent.

By order of the Board
HKC (HOLDINGS) LIMITED
OEI Kang, Eric
Chairman and Chief Executive Officer

Hong Kong, 11 May 2020

As at the date of this announcement, the Board comprises seven Directors, of which Mr. OEI Kang, Eric, Mr. LEE Shiu Yee, Daniel, Mr. WONG Jake Leong, Sammy and Mr. LEUNG Wing Sum, Samuel are Executive Directors; and Mr. CHENG Yuk Wo, Mr. Albert Thomas DA ROSA, Junior and Mr. VOON Hian-fook, David are Independent Non-executive Directors.