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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](http://www.hkcholdings.com))*

### **DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSALS OF LISTED SECURITIES**

#### **THE DISPOSALS**

The Board wishes to announce that during the period between 4 November 2020 to 23 November 2020 (both dates inclusive), the Group disposed of a total of 6,366,000 Xiaomi Shares (which represents approximately 0.036% of the issued share capital of Xiaomi as at the date of this announcement) on the open market, at an aggregate consideration of approximately HK\$166.9 million (exclusive of transaction costs) and an average price of approximately HK\$26.21 per Xiaomi Share.

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

#### **IMPLICATIONS UNDER THE LISTING RULES**

Each of the disposal of Xiaomi 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 Disposals, when aggregated as a whole, is more than 5% and below 25%. As such, the Disposals, 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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As the Disposals were made through the open market, the Company is not aware of the identities of the purchasers of the Xiaomi Shares. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the purchasers of the Xiaomi Shares and their respective ultimate beneficial owners are Independent Third Parties.

#### **ASSETS BEING DISPOSED OF**

Immediately before the Disposals, the Group held 6,366,000 Xiaomi Shares. Immediately upon settlement of the disposals of the Xiaomi Shares on 23 November 2020, the Group does not hold any Xiaomi Shares.

#### **CONSIDERATION**

The aggregate consideration for the Disposals was approximately HK\$166.9 million (exclusive of transaction costs), which was receivable in cash on settlement of each disposal of the Xiaomi Shares. As the Disposals were conducted on the open market, the price of each trade represented the then market price of the Xiaomi Shares at the relevant time of the Disposals.

#### **COMPLETION**

Settlement for the 3,873,600 Xiaomi Shares disposed of by the Group on 23 November 2020 will take place on the second trading day after the orders regarding such disposals have been made.

#### **INFORMATION OF THE GROUP**

The Group is principally engaged in the business of property development and investment and renewable energy investment and operation.

#### **INFORMATION OF XIAOMI**

Xiaomi is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1810). Xiaomi and its subsidiaries are principally engaged in development and sales of smartphones, IoT and lifestyle products, provision of internet services and investment holding in the PRC and other countries or regions.

Set out below is a summary of certain audited consolidated financial information of Xiaomi for the two years ended 31 December 2019 as extracted from the annual report of Xiaomi for the year ended 31 December 2019:

	<i><b>For the year ended 31 December 2019</b></i>	<i><b>For the year ended 31 December 2018</b></i>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	205,838,682	174,915,425
Profit before taxation	12,162,646	13,927,124
Profit after taxation	10,102,950	13,477,747

Based on the annual report of Xiaomi for the year ended 31 December 2019, the audited net asset value of Xiaomi as at 31 December 2019 was approximately RMB81,330,574,000.

## **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Group acquired the Xiaomi Shares to utilize its then available funds for a return. The Company considered that the Disposals would enable the Group to realize its investment in the Xiaomi Shares.

As a result of the Disposals, the Group is expected to recognize a gain of approximately HK\$35.1 million which is calculated on the basis of the difference between the acquisition cost and the disposal price (exclusive of transaction costs). The Group intends to apply the proceeds from the Disposals as the Group's general working capital and cash reserve for pursuing potential investment opportunities in the future.

As the Disposals were made at market price and on the open market of the Stock Exchange, the Directors considered that the terms of the Disposals 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 disposal of Xiaomi 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 Disposals, when aggregated as a whole, is more than 5% and below 25%. As such, the Disposals, 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:

“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
“Disposals”	the disposals of a total of 6,366,000 Xiaomi Shares at an aggregate consideration of approximately HK\$166.9 million during the period between 4 November 2020 to 23 November 2020 (both dates inclusive)
“Group”	: the Company and its subsidiaries
“HK\$”	: Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	: The Hong Kong Special Administrative Region of the People's Republic of China

“IoT”	:	internet of things
“Independent Party(ies)”	Third	: 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 of Hong Kong Limited
“PRC”		the People’s Republic of China
“RMB”		Renminbi, the lawful currency of the PRC
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“Xiaomi”	:	Xiaomi Corporation, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1810)
“Xiaomi Share(s)”	:	Ordinary share(s) of Xiaomi
“%”	:	per cent.

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

Hong Kong, 23 November 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.*

\* For identification purposes only