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GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF A PROPERTY

The Board is pleased to announce that on 1 June 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at a consideration of HK\$206,800,000.

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

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THE PROVISIONAL AGREEMENT

Date : 1 June 2021

Parties : (i) Charter Base Limited as vendor; and
(ii) Marvellous Investments Limited as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Party.

Property to be acquired

The Property to be acquired is the Shop B on ground floor, Railway Plaza, No.39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong. The Property is a commercial property with a gross floor area of approximately 6,700 square feet. It is currently leased to an Independent Third Party with a monthly rental of HK\$700,000 for a term up to 16 September 2022, with an option for renewal of the tenancy for a further term of three years subject to certain terms, including the rent, to be agreed with the tenant. Pursuant to the Provisional Agreement, the Property shall be delivered at Completion on an “as is” basis subject to the existing tenancy.

Consideration

The consideration for the Acquisition is HK\$206,800,000 which shall be paid by the Purchaser to the Vendor as follows:

- (a) an initial deposit of HK\$8,000,000 has been paid upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$12,680,000 shall be paid on or before 8 June 2021; and
- (c) the remaining balance of the Consideration in the sum of HK\$186,120,000 shall be paid upon Completion which is scheduled to take place on or before 16 August 2021.

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 of similar characteristics in the same vicinity and current property market condition. The Consideration will be financed by the Group’s internal resources and/or bank borrowings.

Formal Agreement

Pursuant to the terms of the Provisional Agreement, the Vendor and the Purchaser shall enter into the Formal Agreement on or before 8 June 2021.

Completion

Completion shall take place on or before 16 August 2021.

INFORMATION OF THE PURCHASER AND THE GROUP

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

The Group is principally engaged in the business of building construction, property leasing and property development.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board currently intends to hold the Property for investment purpose to receive rental income. Taking into account the prime location of the Property and the existing tenancy, the Group believes that the Acquisition could generate rental income and strengthen its income base and may enjoy potential capital appreciation in the future.

In view of the above, the Directors consider the terms of the Provisional Agreement are fair and reasonable and the entering into the Provisional Agreement is in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement
“Board”	the board of Directors
“Company”	Grand Ming Group Holdings Limited, a company incorporated in the Cayman Islands, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration 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 Provisional Agreement

“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
“Independent Third Party”	a party and if applicable, the ultimate beneficial owner(s) of the party who is/are not the Group’s connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Shop B on ground floor, Railway Plaza, No.39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong
“Provisional Agreement”	the provisional agreement for sale and purchase dated 1 June 2021 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	Marvellous Investments Limited, a company incorporated in the Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Charter Base Limited, a company incorporated in Hong Kong with limited liability and, to the best of the Directors’ knowledge, information and belief having made all reasonable enquires, it is principally engaged in property investment
“%”	per cent

By Order of the Board
Grand Ming Group Holdings Limited
Chan Hung Ming
Chairman and Executive Director

Hong Kong, 2 June 2021

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Chan Hung Ming
Mr. Lau Chi Wah
Mr. Yuen Ying Wai
Mr. Kwan Wing Wo

Independent Non-Executive Directors:

Mr. Tsui Ka Wah
Mr. Kan Yau Wo
Mr. Mok Kwai Pui Bill
Mr. Lee Chung Yiu Johnny