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濠江機電控股有限公司

**Macau E&M Holding Limited**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 1408)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTY AND CAR PARKING SPACE**

### **THE PRELIMINARY AGREEMENTS**

On 6 May 2022, the Purchaser, which is a wholly-owned subsidiary of the Company, and the Vendor entered into the Preliminary Agreements pursuant to which the Purchaser has promised to acquire, and the Vendor has promised to sell, the Property and the Car Parking Space at the Consideration.

### **LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but all of them are under 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **THE PRELIMINARY AGREEMENTS**

The principal terms of the Preliminary Agreements are as follows:

### **DATE**

6 May 2022

### **PARTIES**

Vendor: Valga Investments Limited

Purchaser: Kento Engineering Company Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

### **SUBJECT MATTER**

Pursuant to the Preliminary Agreements, the Purchaser has promised to acquire, and the Vendor has promised to sell, the Property and the Car Parking Space.

The gross floor area of the Property is approximately 1,105.55 square meter. The Vendor purchased the Property and the Car Parking Space in 2004 at a total cost of HK\$2,332,000.

### **CONSIDERATION AND PAYMENT TERMS**

The Consideration shall be payable by the Purchaser to the Vendor in the following manners: -

(a) a sum of HK\$3,300,000, being the initial deposit (the "**Deposit**"), was paid upon signing of the Preliminary Agreements; and

(b) a sum of HK\$29,700,000, being the balance of the Consideration, shall be paid upon signing of the Formal Agreements.

Apart from the Consideration, it is estimated that the other transaction costs including stamp duty and commission to be paid to the property agent amount to approximately HK\$1,300,000.

The Consideration was determined after arm's length negotiations between the parties with reference to the prevailing market value of comparable properties available in the vicinity. The Directors consider that the terms of the Preliminary Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Consideration shall be funded by internal resources and banking facilities available to the Group.

## **FORMAL AGREEMENTS**

The Purchaser and the Vendor shall enter into the Formal Agreements on or before 30 June 2022.

## **COMPLETION**

The Vendor shall deliver vacant possession of the Property to the Purchaser upon the execution of the Formal Agreements. If the Purchaser fails to complete the acquisition of the Property in accordance with the Preliminary Agreements, the Deposit shall be forfeited to the Vendor.

As the Car Parking Space is currently under a lease agreement until 31 July 2022, the rental income of the Car Parking Space shall belong to the Purchaser commencing from the execution of the Formal Agreements. Based on the information provided by the Vendor, the annual rental income generated from leasing the Car Parking Space amounted to HK\$29,280 and HK\$30,240 for the years ended 31 December 2020 and 2021, respectively.

Based on the information provided by the Vendor, the annual rental income generated from leasing the Property amounted to HK\$1,094,243 and HK\$1,121,598 for each of the years ended 31 December 2020 and 31 December 2021, respectively.

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

The Group currently rents office in Macau. Having considered, among others, (i) the rental cost of the existing leased office ; (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; and (iii) the renovation expenses and time costs that would have been incurred by the Group for relocation to another office, the Directors consider that it is in the interests of the Group to acquire the Property as its self-owned office in order to secure the permanent office of the Company, saving rental, goods storage and renovation expenses in the long run, and improve the efficiency of the Group's operations. The Car Parking Space is bundled with the acquisition of the Property. The Group currently rents car parking spaces in Macau. The Directors consider that it is in the interests of the Group to acquire the Car Parking Space in order to secure a permanent carparking space of the Company and to save rental costs of car parking space. The Directors (including the independent non-executive Directors) consider that the Acquisition and the terms of the Preliminary Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Vendor**

The Vendor is a company established under the laws of Gibraltar which is principally engaged in property investment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties. Based on the information available to the Company, the Vendor is owned as to 100% by Mr. Alain Louis Alphonse Vermet, an individual resided in Macau.

### **The Purchaser**

The Purchaser is a company established under the laws of Macau. It is a direct wholly-owned subsidiary of the Company and is principally engaged in provision of E&M engineering services works in Macau.

## **LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but all of them are under 25%, the Acquisition constitutes a discloseable transaction for the Company 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 words and expressions shall have the meaning ascribed to them below:-**

“Acquisition”	the acquisition of the Property and the Car Parking Space by the Purchaser from the Vendor pursuant to the Preliminary Agreements
“Board”	the board of Directors
“Car Parking Space”	a car parking space located at car parking space no. 9, 1/F. Edifício Industrial Wang Fu, Avenida da Concórdia, nos 175-181, Macau
“Company”	Macau E&M Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on Main Board of the Stock Exchange (stock code: 1408)
“Consideration”	the sum of HK\$33,000,000, being the purchase price of the Property of HK\$32,400,000 and the Car Parking Space of HK\$600,000

“Director(s)”	the director(s) of the Company
“Formal Agreements”	the formal sale and purchase agreements to be entered into between the Purchaser and the Vendor on or before 30 June 2022 in relation to the Acquisition, each a Formal Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	a person, or in the case of a company, the company of its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	The Macau Special Administrative Region of the People’s Republic of China
“Preliminary Agreements”	the preliminary sale and purchase agreements dated 6 May 2022 entered into between the Purchaser and the Vendor in relation to the Acquisition, each a Preliminary Agreement
“Property”	the office premises located at Block B and D, 10/F., Edifício Industrial Wang Fu, Avenida da Concórdia, nos 175-181, Macau
“Purchaser”	Kento Engineering Company Limited, a company established under the laws of Macau and is a direct wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholders”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Vendor”	Valga Investments Limited, a company established under the laws of Gibraltar
“%”	per cent

By order of the Board  
**Macau E&M Holding Limited**  
**Mr. Cheong Ka Wo**  
*Chairman, Chief Executive Officer and Executive  
Director*

Macau, 6 May 2022

*As of the date of this announcement, the Board comprises Mr. Cheong Ka Wo and Mr. Leong Kam Leng as executive Directors; Mr. Law Lap Tak, Ms. Lee Sze Ming and Mr. Chan Ming Kit as independent non-executive Directors.*