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**CK ASSET HOLDINGS LIMITED**

**長江實業集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1113)

## **DISCLOSEABLE TRANSACTIONS**

### **DISPOSAL OF THE TARGET GROUP**

#### **(1) THE DISPOSAL**

The Board hereby announces that, on 28 September 2022 (after trading hours), the Vendors (both of which are indirect wholly-owned subsidiaries of the Company) and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Share Vendor has agreed to sell to the Purchaser the Sale Share (representing the one and only issued share in the Target Company) and the Loan Vendor has agreed to assign the Sale Loans to the Purchaser.

The Target Company, through the Target Subsidiary, indirectly owns the Property, which comprises 152 residential units, 242 residential car parking spaces and 31 motor cycle parking spaces in the Development. Sale and purchase agreements have been entered into between the Target Subsidiary as vendor and third party purchasers in relation to the Contracted Portion (i.e. 4 residential units and 8 residential car parking spaces) of the Property.

At any time after the date of the Sale and Purchase Agreement and before Completion, the Vendors may procure the Target Subsidiary to sell any part of the Unsold Portion at such consideration or unit price to be mutually agreed by the Parties. The Consideration will be adjusted to take into account, among other things, the Net Sales Proceeds from such sales.

The Consideration is HK\$20,766,186,000 (which represents the Initial Unsold Portion Value as at the date of the Sale and Purchase Agreement), to be adjusted pursuant to the Sale and Purchase Agreement.

Completion of the sale and purchase of the Sale Share and the assignment of the Sale Loans shall take place on the later of 28 March 2025 or the date falling 14 working days from the date of notification by the Vendors' solicitors to the Purchaser's solicitors that the Certificate of Compliance in respect of the Development is issued by the Lands Department of Hong Kong to the Target Subsidiary.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and of its connected persons under the Listing Rules.

## **(2) POTENTIAL PROVISION OF THE PURCHASER'S LOAN**

Pursuant to the Sale and Purchase Agreement, the Share Vendor also agreed to, upon prior written request of the Purchaser, make available or procure any subsidiary(ies) of the Company to make available to the Purchaser the Purchaser's Loan on Completion, for the purpose of financing the Completion Payment or any part thereof payable by the Purchaser to the Vendors at Completion.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as set out and calculated under Rule 14.07 of Chapter 14 of the Listing Rules) in respect of the Disposal and the potential provision of the Purchaser's Loan (whether on a standalone basis or on an aggregated basis) exceed 5% but all of the applicable percentage ratios are less than 25%, the Disposal and the potential provision of the Purchaser's Loan pursuant to the Sale and Purchase Agreement constitute discloseable transactions of the Company and are subject to the relevant notification and announcement requirements under Chapter 14 of the Listing Rules.

## **1. INTRODUCTION**

The Board hereby announces that, on 28 September 2022 (after trading hours), the Vendors and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal and the potential provision of the Purchaser's Loan.

## **2. SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are set out below:

### **(a) Parties**

- (1) Mesa Investment Limited (an indirect wholly-owned subsidiary of the Company), as the Share Vendor;
- (2) CK Property & Asset Holdings Limited (an indirect wholly-owned subsidiary of the Company), as the Loan Vendor; and
- (3) ORIC-Borrett Limited, as the Purchaser.

### **(b) Disposal**

Pursuant to the Sale and Purchase Agreement, (i) the Share Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share (representing the one and only issued share in the Target Company); and (ii) the Loan Vendor has agreed to assign, and the Purchaser has agreed to take the assignment of, the Sale Loans (representing all the loans (whether principal, interest or otherwise) owing by the Target Group to the Loan Vendor as at Completion).

### (c) Sale of the Subsequently Sold Portion

Through the Target Subsidiary, the Target Company indirectly owns the Property, which comprises 152 residential units, 242 residential car parking spaces and 31 motor cycle parking spaces in the Development known as “21 BORRETT ROAD” situated at No. 21 Borrett Road, Hong Kong. Sale and purchase agreements have been entered into between the Target Subsidiary as vendor and third party purchasers in relation to the Contracted Portion (i.e. 4 residential units and 8 residential car parking spaces) of the Property.

Pursuant to the Sale and Purchase Agreement, at any time after the date of the Sale and Purchase Agreement and before Completion, the Vendors may procure the Target Subsidiary to sell or contract to sell any part of the Unsold Portion (i.e. the Subsequently Sold Portion) at such consideration or unit price to be mutually agreed by the Parties. The consideration and amounts received by the Target Subsidiary in respect of the sale of the Subsequently Sold Portion shall be deposited in, and the Sales and Related Expenses in respect of the Unsold Portion shall be paid or reimbursed out of, a client account maintained by the Vendors’ solicitors (the “**Net Sales Proceeds Account**”) prior to the Completion Date, and amount(s) equivalent to the Net Sales Proceeds less the Sales and Related Expenses payable by the Target Group (the “**Released Amount**”) shall be released from the Net Sales Proceeds Account to the Vendors’ designated bank account from time to time prior to the Completion Date.

### (d) Consideration

The Consideration for the Sale Share and the Sale Loans is the Initial Unsold Portion Value in the amount of HK\$20,766,186,000 to be adjusted by:

- (i) adding the agreed value of any such Contracted Portion the sale and purchase of which has been cancelled prior to the Completion Date and which will subsequently form part of the Unsold Portion after the date of the Sale and Purchase Agreement, which is the aggregate of:
  - (A) in respect of the residential units (each together with 1 residential parking space) comprised in such Contracted Portion which subsequently form part of the Unsold Portion after the date of the Sale and Purchase Agreement, an amount equivalent to HK\$62,000 per square foot of the residential units multiplied by the total saleable area of such residential units (in square feet), which is calculated in compliance with the Residential Properties (First-hand Sales) Ordinance (Cap.621 of the Laws of Hong Kong); and
  - (B) in respect of the additional residential parking spaces comprised in such Contracted Portion which subsequently form part of the Unsold Portion after the date of the Sale and Purchase Agreement (other than those included in sub-paragraph (A) above), an amount equivalent to HK\$5,000,000 multiplied by the number of additional residential parking spaces;
- (ii) deducting the Net Sales Proceeds (if it is a positive figure), provided that if the Net Sales Proceeds exceed the Unsold Portion Value, such Net Sales Proceeds shall be deemed to be equivalent to the Unsold Portion Value, or adding the absolute value of the Net Sales Proceeds (if it is a negative figure); and
- (iii) adding the amount of the Net Consolidated Assets of the Target Group as at the Completion Date (if it is a positive figure), or deducting the absolute value of the Net Consolidated Assets of the Target Group as at the Completion Date (if it is a negative figure).

The unaudited consolidated completion accounts of the Target Group (comprising the unaudited consolidated balance sheet of the Target Group as at the Completion Date and the unaudited consolidated profit and loss accounts of the Target Group for the period from the date of the Sale and Purchase Agreement to (and inclusive of) the Completion Date) (the “**Completion Accounts**”) will be prepared before Completion for the purpose of determining the adjustments referred to in sub-paragraphs (ii) and (iii) above to be made to the Consideration at Completion. Such unaudited Completion Accounts will be audited by independent accountants within a prescribed period after Completion to determine whether any post-Completion adjustments will be required.

The Consideration was determined based on arm’s length negotiations between the Vendors and the Purchaser, after taking into account relevant factors and circumstances including recent general conditions of the property market in Hong Kong.

#### **(e) Payment of the Consideration**

The Consideration will be paid by the Purchaser in the following manner: (i) a Deposit of HK\$2,076,618,600 (representing 10% of the Initial Unsold Portion Value) has been paid by the Purchaser to the Vendors on the date of the Sale and Purchase Agreement; (ii) 5 part payments (the “**Part Payment(s)**”, in aggregate representing 40% of the Initial Unsold Portion Value) shall each be paid by the Purchaser to the Vendors every 6 months after the date of the Sale and Purchase Agreement (or if any of such dates is not a working day, the working day immediately after such day), among which each of the first two Part Payments shall be in the amount of HK\$1,038,309,300 and each of the last three Part Payments shall be in the amount of HK\$2,076,618,600; and (iii) the balance shall be payable upon Completion. Each of the Part Payments payable by the Purchaser will be regarded as having been paid to the extent of the Relevant Released Amount. In case where the Relevant Released Amount is larger than the amount of the relevant Part Payment, the excess shall be utilized to settle the equivalent amount of the immediately following Part Payment(s). To the extent that such excess is not utilized to settle any Part Payment, it shall be utilized to settle the equivalent amount of the Completion Payment payable by the Purchaser to the Vendors upon Completion.

An amount equivalent to the aggregate of the Unsold Portion Value and the Sales and Related Expenses paid by the Target Group prior to (but excluding) the Completion Date (to the extent the same has not been paid out or reimbursed from the Net Sales Proceeds Account) less the aggregate of the Deposit and the Part Payments, as adjusted in accordance with paragraph (2)(d)(iii) above based on the unaudited Completion Accounts (the “**Completion Payment**”) shall, to the extent not settled by any Relevant Released Amount, be payable by the Purchaser to the Vendors upon Completion on the Completion Date. Any difference in the amount of the adjustments referred to in paragraphs 2(d)(ii) and (iii) calculated based on the unaudited Completion Accounts prepared before Completion and the amount of such adjustments calculated based on the audited Completion Accounts, shall be paid by the Vendors or the Purchaser (as the case may be) to the other(s) within 10 days of the receipt of the audited Completion Accounts.

An interest will accrue on any unpaid or delayed amount of the Part Payments from the relevant scheduled date of payment until the actual date of payment (both days inclusive). Such interest shall be calculated: (I) in respect of any Part Payment other than the fifth Part Payment, at the HSBC Prime Rate (and such interest shall be payable by the Purchaser to the Vendors no later than 3 months from the original scheduled date of payment, or the actual date of payment of such unpaid or delayed amount, whichever is the earlier); and (II) in respect of the fifth Part Payment, at the rate of 2% per annum above the HSBC Prime Rate (and such interest shall be payable by the Purchaser to the Vendors no later than 6 months from the original scheduled date of payment, or the actual date of payment of such unpaid or delayed amount, or Completion, whichever is the earliest).

The Purchaser may request the postponement of the date of Completion to a date falling within 6 months after the Scheduled Completion Date by giving to the Vendors prior written notice of (i) not less than 21 working days (if the Scheduled Completion Date is 28 March 2025) or (ii) not less than 10 working days (if the Scheduled Completion Date falls after 28 March 2025). In the event of such postponement, the Vendors will be entitled to an interest accruing on the unpaid or delayed amount of the Completion Payment calculated at the rate of 2.25% per annum below the HSBC Prime Rate from the Scheduled Completion Date until the actual date of payment (both days inclusive), and such interest together with the unpaid or delayed amount of the Completion Payment shall be payable by the Purchaser to the Vendors at or prior to Completion.

Upon prior written request of the Purchaser, the Purchaser's Loan in the principal amount of not more than the lowest of (I) HK\$10,383,093,000, (II) the amount of the Completion Payment to the extent not settled by any Relevant Released Amount, and (III) 70% of the Value of the Mortgaged Properties shall be made available by the Share Vendor or any subsidiary(ies) of the Company to the Purchaser on Completion for the purpose of financing the Completion Payment or any part thereof payable by the Purchaser to the Vendors at Completion. For further details, please refer to the paragraph headed "3. *POTENTIAL PROVISION OF THE PURCHASER'S LOAN*" of this announcement.

**(f) Completion**

Completion of the sale and purchase of the Sale Share and the assignment of the Sale Loans shall take place on the later of 28 March 2025 or the date falling 14 working days from the date of notification by the Vendors' solicitors to the Purchaser's solicitors that the Certificate of Compliance in respect of the Development is issued by the Lands Department of Hong Kong to the Target Subsidiary.

As at the date of this announcement, the Target Company is an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of the Share Vendor. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the Share Vendor.

**(g) Undertaking to perform the outstanding obligations under the construction contracts of the Development**

At Completion, the Vendors will procure Cheung Kong Property Development Limited, which is a subsidiary of the Company, to undertake to pay, settle and perform all outstanding amounts payable by, and all outstanding liabilities and obligations of, the Target Subsidiary under the construction, consultancy and/or development contracts and maintenance and improvement contracts in respect of the Development (or any part thereof) entered into between the Target Subsidiary and third party contractors or sub-contractors prior to the Completion Date.

Cheung Kong Property Development Limited will be appointed by the Target Subsidiary as the sales and managing agent of the Property on or about the date of the Sale and Purchase Agreement for a term expiring on the Completion Date.

**(h) Others**

The Vendors have provided customary warranties and tax indemnities for a transaction of this nature in favour of the Purchaser.

### **3. POTENTIAL PROVISION OF THE PURCHASER'S LOAN**

Upon prior written request of the Purchaser no later than 21 working days prior to the Completion Date, the Share Vendor shall, on Completion, make available or procure any subsidiary(ies) of the Company (the “**Lender(s)**”) to make available the Purchaser's Loan to the Purchaser, for the purpose of financing the Completion Payment or any part thereof payable by the Purchaser to the Vendors at Completion.

The Purchaser's Loan shall be a secured Hong Kong dollar term loan facility in the principal amount of not more than the lowest of (I) HK\$10,383,093,000, (II) the amount of the Completion Payment to the extent not settled by any Relevant Released Amount, and (III) 70% of the Value of the Mortgaged Properties, maturing 2 years from the Completion Date. Interests accruing on the Purchaser's Loan shall be calculated at the HSBC Prime Rate minus 2.25% per annum, payable in arrears on a monthly basis. The Mortgage of the Mortgaged Properties shall be executed by the Purchaser in favour of the Lender(s) at Completion to secure the Purchaser's Loan. For the purpose of determining the principal amount of the Purchaser's Loan, “Value” means the value of the Mortgaged Properties to be determined based on the following formula: (i) the residential units (each together with 1 residential parking space) comprised in the Mortgaged Properties shall be HK\$62,000 per square foot; (ii) the additional residential parking spaces comprised in the Mortgaged Properties (other than those included in (i) above) shall be HK\$5,000,000 per such additional residential parking space; and (iii) the motor cycle parking spaces comprised in the Mortgaged Properties shall be HK\$300,000 per such motor cycle parking space.

The Purchaser shall repay the Purchaser's Loan in one lump sum upon final maturity. Prepayment of part or all of the Purchaser's Loan may be made by the Purchaser upon prior written notice. Partial release of the security under the Mortgage is allowed for each residential unit or each residential parking space or each motor cycle parking space on repayment of an amount equivalent to the Value of such residential unit or residential parking space or motor cycle parking space, subject to prior written notice being given by the Purchaser to the Lender(s). Such prepayment notice shall be irrevocable except where completion for any sale and purchase of the relevant residential unit or residential parking space or motor cycle parking space (if applicable) does not take place pursuant to the relevant sale and purchase agreement entered into between the Target Subsidiary and third party purchaser(s).

A loan agreement will be entered into between the Lender(s) as lender(s) and the Purchaser as borrower on or before Completion if the Purchaser's Loan is so required to be provided.

### **4. INFORMATION ON THE GROUP AND PARTIES TO THE SALE AND PURCHASE AGREEMENT**

The Group is a leading multinational corporation and has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation. The Share Vendor and the Loan Vendor, being indirect wholly-owned subsidiaries of the Company, are investment holding companies.

The Purchaser is a company incorporated under the laws of the British Virgin Islands and is directly wholly-owned by LC Vision Capital 1, a Sub-Fund of LC Vision Capital VCC. LC Vision Capital VCC is an umbrella variable capital company incorporated under the Variable Capital Companies Act 2018 of Singapore managed by Sino Suisse Capital Pte. Ltd., a Singapore incorporated company which is a capital markets services licensee and an exempt financial advisor licensed and regulated by the Monetary Authority of Singapore.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and of its connected persons under the Listing Rules.

## 5. FINANCIAL INFORMATION OF THE TARGET GROUP

According to the unaudited consolidated financial statements of the Target Company prepared in accordance with the generally accepted accounting principles in Hong Kong, the Target Company's unaudited consolidated net profit (both before and after taxation and extraordinary items) for the two financial years ended 31 December 2021 are stated below:

	<i>For the financial year ended 31 December</i>	
	2021 (approximately)	2020 (approximately)
Net profit (loss) before taxation and extraordinary items	HK\$1,313 million	HK\$(29 million)
Net profit (loss) after taxation and extraordinary items	HK\$1,096 million	HK\$(8 million)

The unaudited consolidated net asset value of the Target Company as at 31 December 2021 was approximately HK\$990 million.

## 6. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Disposal enables the Company to realise its investment in the Target Group and the Development and that the Purchaser's Loan would facilitate Completion.

The Directors consider that the terms of the Sale and Purchase Agreement are on normal commercial terms which are fair and reasonable, and the entering into of the Sale and Purchase Agreement is in the interests of the Company and its shareholders as a whole.

The gain to be derived by the Company from the Disposal, assuming the sale of the Contracted Portion would have been completed before Completion and no sale of any Subsequently Sold Portion would have occurred before Completion, is estimated to be approximately HK\$6.3 billion, representing the difference between the Consideration and the estimated carrying value of the Target Group upon Completion and after taking into account the estimated amounts of transaction costs (including agency commission and legal costs) and relevant taxes to be borne by the Group in relation to the Disposal. The actual gain from the Disposal will depend on the adjusted amount of the Consideration to be calculated based on the final Completion Accounts, the actual sale of the Contracted Portion and the Subsequently Sold Portion after the date of the Sale and Purchase Agreement and before Completion, the actual carrying value of the Target Group at Completion and the actual amounts of transaction costs and relevant taxes to be borne by the Group. The Company expects to use the net proceeds from the Disposal for general working capital purposes of the Group.

## 7. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as set out and calculated under Rule 14.07 of Chapter 14 of the Listing Rules) in respect of the Disposal and the potential provision of the Purchaser's Loan (whether on a standalone basis or on an aggregated basis) exceed 5% but all of the applicable percentage ratios are less than 25%, the Disposal and the potential provision of the Purchaser's Loan pursuant to the Sale and Purchase Agreement constitute discloseable transactions of the Company and are subject to the relevant notification and announcement requirements under Chapter 14 of the Listing Rules.

## 8. DEFINITIONS

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

“%”	per cent;
“Board”	the board of Directors;
“Certificate of Compliance”	the certificate to be issued by or on behalf of the Director of Lands to the effect that all the positive obligations of the Target Subsidiary (in the capacity as the grantee of the Land) under the government grant in relation to the Land have been complied with;
“Company”	CK Asset Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1113);
“Completion”	completion of the sale and purchase of the Sale Share and the assignment of the Sale Loans on the terms and conditions of the Sale and Purchase Agreement;
“Completion Accounts”	shall have the meaning ascribed to it under the paragraph headed “2. <i>SALE AND PURCHASE AGREEMENT – (d) Consideration</i> ” of this announcement;
“Completion Date”	the date on which Completion takes place in accordance with the Sale and Purchase Agreement;
“Completion Payment”	shall have the meaning ascribed to it under the paragraph headed “2. <i>SALE AND PURCHASE AGREEMENT – (e) Payment of the Consideration</i> ” of this announcement;
“connected persons”	shall have the meaning as ascribed to it under the Listing Rules;
“Consideration”	the total consideration for the Sale Share and the Sale Loans payable by the Purchaser pursuant to the Sale and Purchase Agreement;



“Contracted Portion”	4 residential units and 8 residential car parking spaces in the Property in relation to which sale and purchase agreements have been entered into between the Target Subsidiary as vendor and third party purchasers, but the sales and purchases thereunder have not yet been completed as at the date of the Sale and Purchase Agreement;
“Deposit”	the deposit of HK\$2,076,618,600 (representing 10% of the Initial Unsold Portion Value) which has been paid by the Purchaser to the Vendors on the date of the Sale and Purchase Agreement;
“Development”	the development known as “21 BORRETT ROAD”, situated at No. 21 Borrett Road, Hong Kong constructed or in the course of being constructed on the Land;
“Directors”	the directors of the Company;
“Disposal”	the sale of the Sale Share by the Share Vendor to the Purchaser and the assignment of the Sale Loans by the Loan Vendor to the Purchaser in accordance with the terms of the Sale and Purchase 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;
“HSBC Prime Rate”	the prime rate quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time;
“Initial Unsold Portion Value”	shall mean HK\$20,766,186,000, being the agreed value of the Unsold Portion as at the date of the Sale and Purchase Agreement (the “ <b>Initial Unsold Portion</b> ”) and having been arrived at by aggregating the following items: <ol style="list-style-type: none"> <li>(1) in respect of the residential units (each together with 1 residential parking space) comprised in the Initial Unsold Portion, an amount equivalent to HK\$62,000 per square foot of the residential units multiplied by 327,853 square feet, being the total saleable area of the residential units (in square feet), which is calculated in compliance with the Residential Properties (First-hand Sales) Ordinance (Cap.621 of the Laws of Hong Kong);</li> <li>(2) in respect of the additional residential parking spaces comprised in the Initial Unsold Portion (other than those included in sub-paragraph (1) above), an amount equivalent to HK\$5,000,000 multiplied by the number of such additional residential parking spaces, which is 86 residential parking spaces; and</li> <li>(3) in respect of motor cycle parking spaces comprised in the Initial Unsold Portion, an amount equivalent to HK\$300,000 multiplied by the number of motor cycle parking spaces, which is 31 motor cycle parking spaces;</li> </ol>

- “Land” all that piece or parcel of land registered in the Land Registry as Inland Lot No.8949;
- “Lender(s)” shall have the meaning ascribed to it under the paragraph headed “3. *POTENTIAL PROVISION OF THE PURCHASER’S LOAN*” of this announcement;
- “Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange;
- “Loan Vendor” CK Property & Asset Holdings Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company;
- “Mortgage” a mortgage of the Mortgaged Properties executed by the Purchaser in favour of the Lenders at Completion to secure the Purchaser’s Loan;
- “Mortgaged Properties” the Unsold Portion excluding any Subsequently Sold Portion, other than any Subsequently Sold Portion the sale and purchase of which is cancelled, annulled or rescinded before the Completion Date;
- “Net Consolidated Assets” shall mean:
- (i) the total consolidated assets of the Target Company as at the Completion Date, including any prepaid tax (not being paid out or reimbursed from the Net Sales Proceeds Account) but excluding (I) any part of the Property; and (II) any prepaid Sales and Related Expenses; *minus*
  - (ii) the total consolidated liabilities of the Target Company as at the Completion Date excluding the Sale Loans; and the Sales and Related Expenses payable by the Target Group;
- “Net Sales Proceeds” shall mean:
- (i) the aggregate of the consideration received by the Target Subsidiary (including any deposit forfeited by the Target Subsidiary) as vendor from the third party purchaser(s) in respect of the sale of the Subsequently Sold Portion prior to (but excluding) the Completion Date (for the avoidance of doubt, any balance of the Net Sales Proceeds Account as at the Completion Date shall form part of the total consolidated assets of the Company as referred to in this item (i), provided that if the aggregate amount of the Deposit, the Part Payments to the extent actually paid by the Purchaser and the total Released Amount which has been released from the Net Sales Proceeds Account exceeds the Unsold Portion Value, the Vendors shall procure that the excess amount be deposited back into the Net Sales Proceeds Account prior to the Completion Date and any balance of the Net Sales Proceeds Account as at the Completion Date shall not form part of the total consolidated assets of the Company as referred to in this item (i));
- less*
- (ii) the amount of the Sales and Related Expenses paid by the Target Group prior to (but excluding) the Completion Date;

“Net Sales Proceeds Account”	shall have the meaning ascribed to it under the paragraph headed “2. <i>SALE AND PURCHASE AGREEMENT – (c) Sale of the Subsequently Sold Portion</i> ” of this announcement;
“Part Payment(s)”	shall have the meaning ascribed to it under the paragraph headed “2. <i>SALE AND PURCHASE AGREEMENT – (e) Payment of the Consideration</i> ” of this announcement;
“Parties”	the Share Vendor, the Loan Vendor and the Purchaser;
“Property”	152 residential units, 242 residential car parking spaces and 31 motor cycle parking spaces in the Development (for the avoidance of doubt, the Contracted Portion forms part of the Property);
“Purchaser”	ORIC-Borrett Limited, a company incorporated under the laws of the British Virgin Islands;
“Purchaser’s Loan”	the loan facility to be made available by the Share Vendor or any subsidiary(ies) of the Company to the Purchaser on Completion as further described under the paragraph “3. <i>POTENTIAL PROVISION OF THE PURCHASER’S LOAN</i> ” of this announcement, for the purpose of financing the Completion Payment or any part thereof payable by the Purchaser to the Vendors at Completion;
“Released Amount”	shall have the meaning ascribed to it under the paragraph headed “2. <i>SALE AND PURCHASE AGREEMENT – (c) Sale of the Subsequently Sold Portion</i> ” of this announcement;
“Relevant Released Amount”	the Released Amount released from the Net Sales Proceeds Account to the Vendors as described in the paragraph headed “2. <i>SALE AND PURCHASE AGREEMENT – (c) Sale of the Subsequently Sold Portion</i> ” of this announcement, during the period immediately preceding the due date for a relevant part payment of the Consideration as shown in the relevant sales statement prepared by the Vendors;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 September 2022 entered into amongst the Share Vendor, the Loan Vendor and the Purchaser in relation to the Disposal and the potential provision of the Purchaser’s Loan;
“Sale Share”	the one and only issued share in the Target Company, representing its sole issued share;
“Sale Loans”	all the loans (whether principal, interest or otherwise) owing by the Target Group to the Loan Vendor as at Completion;

“Sales and Related Expenses”	<p>shall mean the aggregate of:</p> <ul style="list-style-type: none"> <li>(i) all the fees, costs and expenses incurred and paid or payable by the Target Group in respect of any period from (but exclusive of) the date of the Sale and Purchase Agreement in respect of the sale of the Subsequently Sold Portion (e.g. agency fee, legal fee, rebate and other incentives to third party purchasers and stamp duty to the extent permitted under the terms of the Sale and Purchase Agreement and registration fee and out-of-pocket expenses incurred by the sales and managing agent) and in respect of the Unsold Portion (e.g. Government rent, rates, management fees, insurance premium and other outgoings); and</li> <li>(ii) (A) the amount of profits tax incurred and paid or payable by the Target Subsidiary and (B) the amount of provision for profits tax of the Target Subsidiary both in respect of the sale of the Subsequently Sold Portion, save and except such part of the profits tax incurred and paid or payable or the provision for profits tax by reference to any gains arising from the sale or the transfer of the Subsequently Sold Portion by the Target Subsidiary calculated as if the Subsequently Sold Portion were sold at a consideration being equivalent to the formula set out in the definition of Initial Unsold Portion Value above;</li> </ul>
“Scheduled Completion Date”	the later of 28 March 2025 or the date falling 14 working days from the date of notification by the Vendors’ solicitors to the Purchaser’s solicitors that the Certificate of Compliance in respect of the Development is issued by the Lands Department of Hong Kong to the Target Subsidiary;
“Share Vendor”	Mesa Investment Limited, a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsequently Sold Portion”	such part(s) of the Unsold Portion in respect of which sale and purchase agreement(s) is/are entered into between the Target Subsidiary as vendor and third party purchaser(s) after (and exclusive of) the date of the Sale and Purchase Agreement, whether or not such sale and purchase shall have been completed by the Completion Date;
“Target Company”	Aim Clever Holdings Limited, a company incorporated under the laws of the British Virgin Islands and a direct wholly-owned subsidiary of the Share Vendor;
“Target Group”	the Target Company and the Target Subsidiary;
“Target Subsidiary”	Bristow Investments Limited, a company incorporated under the laws of Hong Kong and a direct wholly-owned subsidiary of the Target Company;
“Unsold Portion”	the Property excluding the Contracted Portion (save for any part of which the sale and purchase has been cancelled prior to the Completion Date);

“Unsold Portion Value” shall mean the aggregate of:

- (i) the Initial Unsold Portion Value; and
- (ii) the value of such Contracted Portion (if any) which will subsequently form part of the Unsold Portion after the date of the Sale and Purchase Agreement, which is the aggregate of the following items:
  - (A) in respect of the residential units (each together with 1 residential parking space) comprised in such Contracted Portion which subsequently form part of the Unsold Portion after the date of the Sale and Purchase Agreement, an amount equivalent to HK\$62,000 per square foot of the residential units multiplied by the total saleable area of such residential units (in square feet), which is calculated in compliance with the Residential Properties (First-hand Sales) Ordinance (Cap.621 of the Laws of Hong Kong); and
  - (B) in respect of the additional residential parking spaces comprised in such Contracted Portion which subsequently form part of the Unsold Portion after the date of the Sale and Purchase Agreement (other than those included in sub-paragraph (A) above), an amount equivalent to HK\$5,000,000 multiplied by the number of additional residential parking spaces;

“Value” shall have the meaning ascribed to it under the paragraph headed “3. *POTENTIAL PROVISION OF THE PURCHASER’S LOAN*” of this announcement; and

“Vendors” the Share Vendor and the Loan Vendor.

By Order of the Board  
**CK ASSET HOLDINGS LIMITED**  
**Eirene Yeung**  
*Executive Committee Member*  
*& Company Secretary*

Hong Kong, 28 September 2022

The Directors of the Company as at the date of this announcement are Mr. LI Tzar Kuoi, Victor (*Chairman and Managing Director*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, Dr. CHIU Kwok Hung, Justin, Mr. CHOW Wai Kam, Raymond, Ms. PAU Yee Wan, Ezra and Ms. WOO Chia Ching, Grace as Executive Directors; and Mr. CHEONG Ying Chew, Henry, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Mr. Donald Jeffrey ROBERTS, Mr. Stephen Edward BRADLEY, Mrs. KWOK Eva Lee and Mrs. SNG Sow-mei alias Poon Sow Mei as Independent Non-executive Directors.