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HENGDELI HOLDINGS LIMITED

亨得利控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3389)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTIES BY JUDICIAL AUCTION

THE ACQUISITION

The Board is pleased to announce that on 3 August 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, has successfully won the bid for both the Property 1 and Property 2 at the Judicial Auction through the open Auction Platform conducted by the Third Intermediate People's Court at a Consideration of RMB140,016,408 (equivalent to approximately HK\$152,001,813) (comprising RMB70,343,336 (equivalent to approximately HK\$76,364,726) for the Property 1 and RMB69,673,072 (equivalent to approximately HK\$75,637,087) for the Property 2). The Purchaser has obtained the confirmations of the Judicial Auction on the same day.

IMPLICATIONS UNDER LISTING RULES

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition, exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and the Acquisition is subject to the reporting and announcement requirements under the Listing Rules.

THE ACQUISITION

The Board is pleased to announce that on 3 August 2023, the Purchaser, an indirect wholly-owned subsidiary of the Company, has successfully won the bid for both the Property 1 and the Property 2 at the Judicial Auction through the open Auction Platform conducted by the Third Intermediate People's Court at a Consideration of RMB140,016,408 (equivalent to approximately HK\$152,001,813) (comprising RMB70,343,336 (equivalent to approximately HK\$76,364,726) for the Property 1 and RMB69,673,072 (equivalent to approximately HK\$75,637,087) for the Property 2). The Purchaser has obtained the confirmations of the Judicial Auction on the same day. Set out below is a summary of the information regarding the Judicial Auction.

SUMMARY OF INFORMATION REGARDING THE JUDICIAL AUCTION

On 3 August 2023, the Purchaser, Shanghai Deyi Trading Co. Ltd.* (上海的益商貿有限公司), an indirect wholly-owned subsidiary of the Company, has successfully won the bid for both Property 1 and Property 2 at the Judicial Auction through the Auction Platform. Property 1 and Property 2 are owned by Beijing Yaohui Real Estate Co. Ltd.* (北京耀輝置業有限公司). In order to enforce the debts of the Owner, the Third Intermediate People's Court has conducted the Judicial Auction to dispose Property 1 and Property 2 through the open Auction Platform.

Following the success of the bid by the Purchaser, the Purchaser shall complete all formalities in accordance with the requirements set out in the notice of bidding. The Purchaser shall (i) sign the sale completion confirmation at the date and time informed by the Third Intermediate People's Court; and (ii) obtain the auction closing ruling from Third Intermediate People's Court and arrange the transfer of the Properties pursuant to the notice on enforcement assistance issued by the Third Intermediate People's Court.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, and as disclosed by the Owner, the Owner and its ultimate beneficial owner are Independent Third Parties of the Company and its connected persons.

INFORMATION OF THE PROPERTIES

Property 1

As disclosed in the information for the Judicial Auction, Property 1 (with property ownership certificate number 0076010) (京(2018)朝不動產權第0076010號) is located at Unit No. 2701 on 27th Floor, Building 1, Court No. 86 Jianguo Road, Chaoyang District, Beijing City* (北京市朝陽區建國路86號院1號樓27層2701), with a total gross floor area of approximately 1,572.09 square metres for commercial apartment use and with the land use period commencing from 31 August 2004 to 30 August 2074. Details of Property 1 can be obtained at <https://paimai.jd.com/297663537>.

Property 2

Property 2 (with property ownership certificate number 0076010) (京(2018)朝不動產權第0076010號) is located at Unit No. 2801 on 28th Floor, Building 1, Court No. 86 Jianguo Road, Chaoyang District, Beijing City* (北京市朝陽區建國路86號院1號樓28層2801), with a total gross floor area of approximately 1,574.51 square metres for commercial apartment use and with the land use period commencing from 31 August 2004 to 30 August 2074. Details of Property 2 can be obtained at <https://paimai.jd.com/297663039>.

Property 1 and Property 2 are owned by the Owner.

CONSIDERATION AND PAYMENT TERMS

The Consideration, being RMB140,016,408 (equivalent to approximately HK\$152,001,813), (comprising RMB70,343,336 (equivalent to approximately HK\$76,364,726) being the consideration of Property 1 and RMB69,673,072 (equivalent to approximately HK\$75,637,087) being the consideration of Property 2).

Consideration 1

The Consideration 1, being RMB70,343,336 (equivalent to approximately HK\$76,364,726), for the Property 1 is the bidding price, was determined after taking into account a number of factors, including (i) the total appraised value of the Property 1 of approximately RMB125,613,100 (equivalent to approximately HK\$136,365,581) based on the valuation report, which is prepared on market value basis, dated 18 July 2022 prepared by an independent valuer in the PRC who was appointed by the Third Intermediate People's Court; (ii) the total appraised value of the Property 1 of approximately RMB124,800,000 (equivalent to approximately HK\$135,482,880) based on the valuation report, which is prepared on market value basis, dated 16 June 2023 prepared by an independent valuer appointed by the Company; and (iii) the starting bidding price (起拍價) and the reserve price (保留價) of the Judicial Auction of RMB70,343,336 (equivalent to approximately HK\$76,364,726).

Consideration 2

The Consideration 2, being RMB69,673,072 (equivalent to approximately HK\$75,637,087), for the Property 2 is the bidding price, was determined after taking into account a number of factors, including (i) the total appraised value of the Property 2 of approximately RMB124,416,200 (equivalent to approximately HK\$135,066,227) based on the valuation report, which is prepared on market value basis, dated 18 July 2022 prepared by an independent valuer in the PRC who was appointed by the Third Intermediate People's Court; (ii) the total appraised value of the Property 2 of approximately RMB125,000,000 (equivalent to approximately HK\$135,700,000) based on the valuation report, which is prepared on market value basis, dated 16 June 2023 prepared by an independent valuer appointed by the Company; and (iii) the starting bidding price (起拍價) and the reserve price (保留價) of the Judicial Auction of RMB69,673,072 (equivalent to approximately HK\$75,637,087).

The said valuation reports prepared by the independent valuer appointed by the Third Intermediate People's Court is published by the Third Intermediate People's Court through the Judicial Auction.

The Consideration shall be payable in the following manner:

Consideration 1

RMB70,343,336 (equivalent to approximately HK\$76,364,726) has already been previously paid by the Company as prepayment of Property 1, required by the Judicial Auction, will be used to set off with the Consideration 1.

Consideration 2

RMB69,673,072 (equivalent to approximately HK\$75,637,087) has already been previously paid by the Company as prepayment of Property 2, required by the Judicial Auction, will be used to set off with the Consideration 2.

The Consideration will be financed by the internal resources of the Group.

COMPLETION

The completion shall take place after the receipt of the auction closing ruling from the Third Intermediate People's Court.

INFORMATION OF THE COMPANY AND RELEVANT PARTIES

The Group's business was primarily focused on the manufacturing of high-end consuming accessories, the building up of high-end consuming service platforms, international commodity trading and its related supply chain services.

The Third Intermediate People's Court is a governmental authority of the PRC, which has, among other things, authority to arrange auction of properties that are subject to enforcement and bankruptcy properties, being assets that are owned by companies that are put into liquidation. The Auction Platform is an agent appointed by the Third Intermediate People's Court for conducting the Judicial Auction.

As disclosed by the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統), and based on a search conducted by the Purchaser, the Owner is a company established in the PRC with limited liability and principally engaged in the business of property development, property holding, sale and leasing of property.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Third Intermediate People's Court, the Auction Platform, the Owner and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group will, through the Acquisition, hold the Properties for investment purpose and might lease out the Properties after completion of the Acquisition for rental income. Having considered the prospects of the property market in the PRC and the PRC economy in general, the Board considered that the Acquisition will contribute positively to the Group.

After taking into account the factors set out above, the Directors (including the independent non-executive Directors) are of the view that the Acquisition is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition, exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and the Acquisition is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

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| “Acquisition” | the acquisition of the Properties |
| “Auction Platform” | Jingdong Judicial Auction* (京東網司法拍賣網絡平台) |
| “Board” | the board of Directors of the Company |
| “Company” | Hengdeli Holdings Limited (亨得利控股有限公司), 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: 3389) |
| “Consideration” | collectively the Consideration 1 and Consideration 2, the total consideration of the Acquisition, being RMB140,016,408 (equivalent to approximately HK\$152,001,813) |
| “Consideration 1” | the consideration for the acquisition of the Property 1, being RMB70,343,336 (equivalent to approximately HK\$76,364,726) |
| “Consideration 2” | the consideration for the acquisition of the Property 2, being RMB69,673,072 (equivalent to approximately HK\$75,637,087) |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Third Party(ies)” | any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not a connected person(s) of the Company within the meaning of the Listing Rules |
| “Judicial Auction” | the judicial auctions of the Properties arranged by the Third Intermediate People’s Court both conducted during the period between 10 a.m. on 2 August 2023 to 10 a.m. on 30 September 2023 on the Auction Platform electronically) |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Owner” | Beijing Yaohui Real Estate Co. Ltd.* (北京耀輝置業有限公司), a company established in the PRC with limited liability, an independent third party and owner of the Properties |

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| “PRC” | the People’s Republic of China, but for the purposes of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan |
| “Properties” | collectively the Property 1 and the Property 2 |
| “Property 1” | the property located at Unit No. 2701 on 27th Floor, Building 1, Court No. 86 Jianguo Road, Chaoyang District, Beijing City* (北京市朝陽區建國路86號院1號樓27層2701) |
| “Property 2” | the property located at Unit No. 2801 on 28th Floor, Building 1, Court No. 86 Jianguo Road, Chaoyang District, Beijing City* (北京市朝陽區建國路86號院1號樓28層2801) |
| “Purchaser” | Shanghai Deyi Trading Co. Ltd.* (上海的益商貿有限公司), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Third Intermediate People’s Court” | Third Intermediate People’s Court of Beijing* (北京市第三中級人民法院) |
| “%” | per cent. |

By Order of the Board
Hengdeli Holdings Limited
Zhang Yuping
Chairman

Hong Kong, 3 August 2023

For the purpose of illustration in this announcement only, the translation of RMB into HK\$ is based on the rate of RMB1.00 : HK\$1.0856. The above conversion rates are for illustrative purpose only and do not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforesaid or any other rates or at all.

As at the date of this announcement, the executive Directors are Mr. Zhang Yuping (Chairman), Mr. Huang Yonghua and Mr. Lee Shu Chung, Stan; the non-executive Director is Mr. Shi Zhongyang; and the independent non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai, William, Mr. Liu Xueling and Ms. Qian Weiqing.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

* for identification purpose only.