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Sang Hing Holdings (International) Limited

生興控股（國際）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1472)

**CONNECTED TRANSACTION
ACQUISITION OF A PROPERTY**

THE ACQUISITION

The Board is pleased to announce that on 8 June 2021, the Company, as the Purchaser and Mr. Lai, the executive Director, as the Vendor entered into the Provisional Agreement pursuant to which, among others, the Purchaser agreed to purchase and the Vendor agreed to sell the Property located at Tuen Mun in Hong Kong for a total consideration of HK\$6.0 million. The Property shall be purchased by the Purchaser on an “as is” basis and subject to tenancy.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Vendor is the Controlling Shareholder and one of the executive Directors. As such, the Vendor is a connected person of the Company and the Acquisition therefore constitutes a connected transaction pursuant to Chapter 14A of the Listing Rules. Pursuant to Rule 14A.76(2) of the Listing Rules, as each of the applicable percentage ratios for the Acquisition is less than 5% and the consideration is below HK\$10,000,000, such connected transaction is subject to the reporting and announcement requirements but is exempted from the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

Shareholders and potential investors should note that the Acquisition is subject to the satisfaction of certain conditions and accordingly, the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

THE PROPERTY ACQUISITION

The Board is pleased to announce that, on 8 June 2021, the Company, as the Purchaser and Mr. Lai, the executive Director, as the Vendor entered into the Provisional Agreement, pursuant to which the Purchaser agreed to purchase the Property and the Vendor agreed to sell the Property at a consideration of HK\$6.0 million. The Property shall be purchased by the Purchaser on an “as is” basis and subject to tenancy.

THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are set out as follows:

Date

8 June 2021

Parties to the Provisional Agreement

Purchaser: Sang Hing Holdings (International) Limited

Vendor: Mr. Lai

Sale and purchase of the Property

The Purchaser agreed to purchase, and the Vendor agreed to sell, the Property which is located at Room 215A-B, 2/F, Central Services Building, Nan Fung Industrial City, No.18 Tin Hau Road, Tuen Mun in accordance with the terms and conditions of the Provisional Agreement.

Consideration

The consideration for the sale and purchase of the Property shall be HK\$6.0 million payable by the Purchaser to the Vendor in the following manners:

- (i) an initial deposit of HK\$600,000, being 10% of the Consideration shall be payable on or within 14 days from the date of signing the Provisional Agreement; and
- (ii) a sum of HK\$5,400,000, being the balance of the Consideration shall be paid upon Completion on or before 30 September 2021.

The consideration for the Property was determined after arm's length negotiation between the parties on normal commercial terms with reference to, among others, the prevailing market prices of properties of similar nature available in the nearby area. The Company will finance the consideration for the Property from internal resources of the Group.

CONDITION PRECEDENT

Completion is conditional upon and subject to the Vendor giving and proving a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) at the Vendor's own costs and expenses.

COMPLETION

Completion shall take place on or before 30 September 2021.

REASONS FOR AND BENEFITS OF THE PROPERTY ACQUISITION

The Board is optimistic to the property market in Hong Kong and has been proactive in seeking opportunities for participate in Hong Kong property investment market. They consider that the property investment will have the benefits from the long-term appreciation of the price in properties in Hong Kong. At the same time, the Board considers that the Acquisition is beneficial to the Group as having a self-owned office will improve the operating cash flow of the Group in the long run by eliminating rental expenses.

In view of the above, the Directors, including the independent non-executive Directors, are of the view that the terms of the Provisional Agreement (including the Consideration) are fair and reasonable and the entering into of the Provisional Agreement and the Acquisition are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PURCHASER

The Company is a main contractor specialising in a variety of civil engineering works, including site formation, road and bridge construction, drainage and sewerage construction, watermain installation and slope works in Hong Kong.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Vendor is the Controlling Shareholder and one of the executive Directors of the Company. As such, the Vendor is a connected person of the Company and the Acquisition therefore constitutes a connected transaction pursuant to Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76(2) of the Listing Rules, as each of the applicable percentage ratios for the Acquisition is less than 5% and the consideration is below HK\$10,000,000, such connected transaction is subject to the reporting and announcement requirements but is exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Save as to Mr. Lai, none of the Directors has any material interest in the Acquisition, and none of them have abstained from voting on the relevant board resolutions approving the Agreements and the Acquisition contemplated thereunder.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the terms of the Provisional Agreement
“Board”	the board of Directors

“Company”	Sang Hing Holdings (International) Limited, a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules and, in the context of our Company, means the controlling shareholders of our Company, namely, Worldwide Intelligence Group Limited and Mr. Lai
“Consideration”	the sum of HK\$6.0 million, being the purchase price of the Property
“Directors”, each a “Director”	the directors of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lai”	Mr. Lai Wai (賴偉), the chairman of the Board, a Controlling Shareholder and an executive Director of the Company
“Property”	Room 215A–B, 2/F, Central Services Building, Nan Fung Industrial City, No.18 Tin Hau Road, Tuen Mun
“Purchaser”	the Company

“Provisional Agreement”	the provisional sale and purchase agreement in relation to the sale and purchase of the Property entered into between the Purchaser and the Vendor on 8 June 2021
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Lai, an executive Director of the Company and a Controlling Shareholder
“%”	Per cent

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:36 a.m. on 8 June 2021 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 9 June 2021.

By order of the Board
Sang Hing Holdings (International) Limited
Lai Wai
Chairman and Executive Director

Hong Kong, 8 June 2021

As at the date of this announcement, the executive Directors of the Company are Mr. Lai Wai, Mr. Lai Ying Wah, Mr. Lai Ying Keung; the non-executive Director of the Company is Mr. Fung Chi Kin; and the independent non-executive Directors of the Company are Mr. Cheung Wai Kwok Gary, Prof. Leung Yee Tak, Mr. Zhang Senquan, Mr. Ho Tai Tung and Ms. Tsang Wing Kiu.