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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)

CONNECTED TRANSACTION DISPOSAL OF A PROPERTY

On 21 January 2019, the Vendor accepted the Purchaser's Tender for the purchase of the Property from the Vendor, which constituted a contract for the Disposal. At the close of the tender for sale of the Property, the Purchaser's Tender was the only tender received by the Vendor in respect of the Property. The Purchaser and the Vendor have signed the agreement for sale and purchase in respect of the Disposal on the same date.

The Purchaser, by virtue of being the spouse of Mr. Lau who is an executive Director, is an associate of a connected person of the Company under Rule 14A.12 of the Listing Rules. Hence the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Since one of the applicable percentage ratios (other than the profits ratio) in respect of the Disposal exceeds 5%, the Disposal is subject to reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

An independent board committee of the Company comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Disposal. Opus Capital Limited has also been appointed as the independent financial adviser to provide advice and recommendation to the independent board committee of the Company and the Independent Shareholders in respect of the Disposal.

The EGM will be convened for the Independent Shareholders to approve the Disposal by way of poll. Mr. Lau, Lau CW Company Limited and his/its associates will abstain from voting on the resolution to approve the Disposal at the EGM.

A circular containing, among other things, further particulars of the Disposal together with the recommendations of the independent board committee of the Company, a letter from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders, and a notice convening the EGM are expected to be dispatched to the Shareholders within 15 business days after publication of this announcement.

On 21 January 2019, the Vendor accepted the Purchaser's Tender for the purchase of the Property from the Vendor, which constituted a contract for the Disposal. At the close of the tender for sale of the Property, the Purchaser's Tender was the only tender received by the Vendor in respect of the Property. The Purchaser and the Vendor have signed the agreement for sale and purchase in respect of the Disposal on the same date. The principal terms of the Disposal and the agreement for sale and purchase in respect of the Disposal are set out below:–

Date: 21 January 2019

Parties: (i) the Vendor
(ii) the Purchaser

Subject matter: The Vendor agreed to sell the Property to the Purchaser, the particulars of which are set out below:–

Flat A on the 15th & 16th Floor (with a saleable area of 2,721 square feet) and the flat roof thereabove (with an area of 957 square feet) of "Cirstallo", No. 279 Prince Edward Road West, Kowloon, Hong Kong

Consideration: HK\$148,000,000, payable in cash in the following manner:–

- (a) a deposit of HK\$1,000,000, which was paid by the Purchaser upon the Vendor's acceptance of the Purchaser's Tender; and
- (b) the remaining balance of the consideration of HK\$147,000,000 shall be paid on or before 31 March 2019.

The consideration was the purchase price offered by the Purchaser under the Purchaser's Tender.

Completion: Completion shall take place on or before 31 March 2019.

Condition: The Disposal is subject to the approval by the Independent Shareholders at the EGM. In the event that the ordinary resolution relating to the Disposal was not duly passed by the Independent Shareholders at the EGM, the Vendor shall refund the deposit received without interest to the Purchaser.

INFORMATION OF THE CRISTALLO PROJECT AND THE PROPERTY

The Cristallo Project is a luxury residential development situated at No. 279 Prince Edward Road West, Kowloon, Hong Kong. It consists of 18 residential units together with a clubhouse and has an aggregate saleable area of approximately 32,000 square feet. The Group acquired the Cristallo Project through the acquisition of the entire equity interests of Market Rise Limited and its wholly-owned subsidiary, the Vendor (collectively the "**Market Rise Group**") in October 2017. Details of the acquisition had set out in the announcement of the Company dated 30 August 2017. The Cristallo Project has been recorded as inventories of properties in the financial statements of the Group.

The Property is one of the residential units within the Cristallo Project and is located at Flat A on the 15th & 16th floor (with a saleable area of 2,721 square feet) and the flat roof thereabove (with an area of 957 square feet) of Cristallo, No. 279 Prince Edward Road West, Kowloon, Hong Kong. The Property is well furnished with renovation, furniture and fixtures.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Vendor considered the consideration and accepted the Purchaser's Tender by making reference to the average price of recently completed transactions of similar properties in the vicinity of the Property, condition of the Property and the preliminary valuation conducted by Colliers International (Hong Kong) Limited, an independent property valuer. The Disposal gives a good opportunity for the Group to realise the existing inventories of properties and enhance the Group's working capital.

Subject to audit, the Group is expected to realise a gain (before taking into account the sales and marketing expenses, finance costs attributable to the Property and the Cristallo Project and allocation of corporate expenses) of approximately HK\$68 million upon completion of the Disposal. The expected gain is calculated based on the consideration of the Property less the estimated development cost and other related expenses directly attributable to the Disposal. The Group will use the net proceeds of the Disposal (after deducting the legal and professional fees and other related expenses) for the repayment of outstanding bank loans in relation to the acquisition of the Market Rise Group and as working capital of the Group. As part of the net proceeds will be applied towards the repayment of bank loans, the Group will also be able to save interest expenses as a result of the Disposal.

Residential units of the Cristallo Project are offered for sale by tender and the Disposal has been undertaken in the ordinary and usual course of business of the Group.

The Directors (excluding the independent non-executive Directors who will express their view after receiving advice from the independent financial adviser) are of the view that the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms in the ordinary and usual course of business of the Group, and will provide the Group an opportunity to dispose of the Property for the benefits mentioned above, which is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE VENDOR AND THE GROUP

The Vendor is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of property development. The Vendor is the legal and beneficial owner of the Property.

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

INFORMATION OF THE PURCHASER

The Purchaser is the spouse of Mr. Lau who is an executive Director and the sole shareholder of Lau CW Company Limited, which is a Shareholder holding 53,146,830 Shares, representing approximately 7.49% of the issued share capital of the Company as at the date of this announcement. Mr. Lau, Lau CW Company Limited and his/its associates will abstain from voting at the EGM.

LISTING RULES IMPLICATION

The Purchaser, by virtue of being the spouse of Mr. Lau who is an executive Director, is an associate of a connected person of the Company under Rule 14A.12 of the Listing Rules. Hence, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since one of the applicable percentage ratios (other than the profits ratio) in respect of the Disposal exceeds 5%, the Disposal is subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 of the Listing Rules.

An independent board committee of the Company comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Disposal. Opus Capital Limited has also been appointed as the independent financial adviser to provide advice and recommendation to the independent board committee of the Company and the Independent Shareholders in respect of the Disposal.

The EGM will be convened for the Independent Shareholders to approve the Disposal by way of poll. Mr. Lau, Lau CW Company Limited and his/its associates will abstain from voting on the resolution to approve the Disposal at the EGM.

A circular containing, among other things, further particulars of the Disposal together with the recommendations of the independent board committee of the Company, a letter from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders, and a notice convening the EGM are expected to be dispatched to the Shareholders within 15 business days after publication of this announcement.

DEFINITIONS

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

“associate(s)”,	each has the meaning ascribed to it in the Listing Rules
“connected person(s)”	
“Board”	the board of Directors

“Company”	Grand Ming Group Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“Cristallo Project”	the residential development under the name of “Cristallo” located at No. 279 Prince Edward Road West, Kowloon, Hong Kong
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Property by the Vendor to the Purchaser
“EGM”	the extraordinary general meeting of the Company to be held to consider and approve, among other things, the Disposal
“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 Shareholders”	the Shareholders that are not required to abstain from voting at the EGM (i.e. the Shareholders other than Mr. Lau, Lau CW Company Limited (a company wholly-owned by Mr. Lau), and his/its associates)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lau”	Mr. Lau Chi Wah, being an executive Director and the spouse of the Purchaser
“Property”	Flat A on the 15th & 16th Floor (with a saleable area of 2,721 square feet) and the flat roof thereabove (with an area of 957 square feet) of “Cristallo”, No. 279 Prince Edward Road West, Kowloon, Hong Kong

“Purchaser”	Ms. Cheung Shuk Fong, being the spouse of Mr. Lau
“Purchaser’s Tender”	the form of tender (with the tender notice and the conditions of the tender sale attached thereto) submitted by the Purchaser to the Vendor for the purchase of the Property
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Able Business Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 21 January 2019

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