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SHEUNG YUE GROUP HOLDINGS LIMITED

上諭集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1633)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

The Board announces that on 6 July 2020, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property at a consideration of HK\$9,850,000.

As the applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is lower than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board announces that on 6 July 2020, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property at a consideration of HK\$9,850,000.

THE PROVISIONAL AGREEMENT

Date of the Provisional Agreement

6 July 2020

Parties

Vendor : Simon & Sons Engineering Limited, an indirect wholly-owned subsidiary of the Company

Purchaser : Ko Leung Leung

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Property

The Property comprises (1) Flat E, 1/F, Block C3, Hong Lok Yuen, Tai Po, New Territories, Hong Kong; and (2) car parking space No. 8 on G/F, Block C3, Hong Lok Yuen, Tai Po, New Territories, Hong Kong.

Sale and Purchase of the Property

Upon Completion, the Property will be sold on an “as is” basis.

Consideration

The Consideration for the Disposal is HK\$9,850,000, which was arrived after arm’s length negotiations between the Vendor and the Purchaser with reference to the prevailing property market in Hong Kong and the market price of the similar properties in the vicinity of the Property. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Consideration will be settled in cash in the following manner:-

- (a) HK\$500,000 was paid by the Purchaser as initial deposit upon signing of the Provisional Agreement;
- (b) HK\$485,000 will be paid by the Purchaser as further deposit on or before 17 July 2020; and
- (c) HK\$8,865,000 being the balance of the Consideration will be paid by the Purchaser upon Completion on or before 6 October 2020.

Completion

The Completion is expected to take place on or before 6 October 2020.

Agency fee

In consideration of the services rendered by a property agency company to the Vendor, the Vendor shall pay to the property agency company an agency fee of HK\$98,500 (representing 1% of the Consideration) on or before 6 October 2020. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, such property agency company and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION OF THE PROPERTY

The Property comprises (1) Flat E, 1/F, Block C3, Hong Lok Yuen, Tai Po, New Territories, Hong Kong; and (2) car parking space No. 8 on G/F, Block C3, Hong Lok Yuen, Tai Po, New Territories, Hong Kong. As at 31 March 2020, the audited carrying value of the Property was approximately HK\$2,192,000. The Property is vacant at the date of this announcement. For the years ended 31 March 2019 and 2020, there was no rental income attributable to the Property.

FINANCIAL EFFECT ON THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Group is expected to record an unaudited gain on the Disposal of approximately HK\$7,679,000. The Company will apply the net proceeds from the Disposal for the Group's general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In view of the recent development of property market in Hong Kong, it is uncertain whether the Property will enjoy any further capital appreciation. The Board is of the opinion that the Disposal represents a good opportunity to realise the value of the Property and to enhance the liquidity of the Group.

Based on the above, the Directors consider that the terms of the Disposal (including the Consideration) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND THE VENDOR

The Company is an investment holding company and the Group is principally engaged in the provision of foundation works in Hong Kong and Macau. The Vendor is an indirect wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but is lower than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Sheung Yue Group 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

“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Provisional Agreement
“connected person”	has the meaning ascribed to it in the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Disposal being HK\$9,850,000
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser
“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 Third Party(ies)”	party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	comprises (1) Flat E, 1/F, Block C3, Hong Lok Yuen, Tai Po, New Territories, Hong Kong; and (2) car parking space No. 8 on G/F, Block C3, Hong Lok Yuen, Tai Po, New Territories, Hong Kong
“Provisional Agreement”	the provisional agreement dated 6 July 2020 and entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	Ko Leung Leung, the purchaser of the Property under the Provisional Agreement, being an individual and an Independent Third Party
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Simon & Sons Engineering 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
Sheung Yue Group Holdings Limited
Chan Lap Wai Gary
Chairman

Hong Kong, 15 July 2020

As at the date of this announcement, the Board comprises Mr. Chan Lap Wai Gary (Chairman), Mr. Chan Lap Chuen Edmond and Ms. Chan Chin Ying Amanda as executive Directors, and Mr. Li Hon Hung, BBS, MH, JP, Mr. Cheng Chi Hung and Mr. Wong Yip Kong as independent non-executive Directors.