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## **SMART CITY DEVELOPMENT HOLDINGS LIMITED**

### **智城發展控股有限公司**

*(formerly known as Deson Construction International Holdings Limited 迪臣建設國際集團有限公司)*

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 8268)**

### **DISCLOSABLE TRANSACTION PROPOSED ACQUISITION OF PROPERTY**

#### **THE PROPOSED ACQUISITION**

The Board wishes to announce that on 14 December 2020 after trading hours, the Purchaser, being a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the consideration of HK\$14,700,000. Completion is scheduled to take place on or before 14 January 2021 or such later date to be mutually agreed by the Vendor and the Purchaser in writing.

The Property is an industrial property with a total saleable floor area of approximately 3,565 square feet.

#### **IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Proposed Acquisition exceeds 5% but is less than 25%, the Proposed Acquisition constitutes a disclosable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the announcement requirements under the GEM Listing Rules.

#### **INTRODUCTION**

The Board wishes to announce that on 14 December 2020 after trading hours, the Purchaser, being a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the consideration of HK\$14,700,000.

## THE SALE AND PURCHASE AGREEMENT

Set out below are the salient terms of the Sale and Purchase Agreement:

### Date

14 December 2020

### Parties

- (i) **Purchaser:** Glory Noble Limited, a direct wholly-owned subsidiary of the Company
- (ii) **Vendor:** Ng Pui Ling, an Independent Third Party

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendor is an Independent Third Party.

### PROPERTY TO BE ACQUIRED

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Property, which is an industrial property located at Tak King Industrial Building, No. 27 Lee Chung Street, Hong Kong with a total saleable floor area of approximately 3,565 sq.ft. Pursuant to the Sale and Purchase Agreement, the Vendor shall deliver vacant possession of the Property free from all encumbrances and on an "as-is" basis upon Completion.

As at the date of this announcement, the Vendor is the legal and beneficial owner of the Property.

### CONSIDERATION

Pursuant to the Sale and Purchase Agreement, the total Consideration for the sale and purchase of the Property shall be HK\$14,700,000 payable in cash by the Purchaser to the Vendor in the following manner:

- (i) a sum of HK\$1,470,000 ("**Deposit**") has been paid upon signing of the Sale and Purchase Agreement as the Deposit; and
- (ii) the balance of the Consideration of HK\$13,230,000 shall be paid on or before 14 January 2021 upon Completion.

The Consideration for the Proposed Acquisition was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the market value of similar properties in the same district. If the condition precedent is not fulfilled (or not waived by the Purchaser) on or before 14 January 2021, the Vendor shall fully refund the Deposit to the Purchaser within three Business Days.

## **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 OF THE PROPOSED ACQUISITION**

Completion of the Proposed Acquisition shall take place on or before 14 January 2021 or such later date to be mutually agreed by the Vendor and the Purchaser in writing.

## **SOURCE OF FINANCING**

The Purchaser intends to settle the Consideration by way of internal resources of the Group.

## **INFORMATION ON THE VENDOR, THE COMPANY, THE GROUP AND THE PURCHASER**

The Vendor is an individual Hong Kong resident, and is the legal and beneficial owner of the Property.

The Company is an investment holding company. The Group is principally involved in (i) the construction business, as a main contractor, fitting-out works, and as well as the provision of electrical and mechanical engineering services, mainly in Hong Kong, Mainland China and Macau and other construction related business; (ii) investment in securities; (iii) property investment; and (iv) money lending business.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability on 19 November 2020 and is a direct wholly-owned subsidiary of the Company. It is an investment holding company.

## **REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION**

The Board believes that the price of industrial premises in Chai Wan will be able to maintain stability with possible growth momentum. The Property is intended to be held by the Group for its own use as office. To cope with the business development and expansion of the Group, the Directors consider that the purchase of the Property is beneficial to the Group by providing additional office space in Hong Kong for the operation of the Group.

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

## IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to Rule 19.06 of the GEM Listing Rules in respect of the Proposed Acquisition exceeds 5% but is less than 25%, the Proposed Acquisition constitutes a disclosable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the announcement requirements under the GEM Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning No.8 or above or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business
“Company”	Smart City Development Holdings Limited (formerly known as Deson Construction International Holdings Limited 迪臣建設國際集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Completion”	completion of the Proposed Acquisition
“connected persons(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the sum of HK\$14,700,000, being the consideration for the Proposed Acquisition
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“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)”	a third person who is independent of the Company and its connected persons and who is not a connected person of the Company
“Property”	an industrial property located at Tak King Industrial Building, No. 27 Lee Chung Street, Hong Kong
“Proposed Acquisition”	the proposed acquisition of the Property by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Purchaser”	Glory Noble Limited, a company incorporated in British Virgin Islands with limited liability on 19 November 2020 and a direct wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the Sale and Purchase Agreement dated 14 December 2020 entered into between the Purchaser and the Vendor for the Proposed Acquisition
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“sq.ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Ng Pui Ling, an individual, who is an Independent Third Party
“%”	per cent

On behalf of the Board  
**Smart City Development Holdings Limited**  
**Hung Kenneth**  
*Executive Director*

Hong Kong, 14 December 2020

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Hung Kenneth and Ms. Lau Po Yee as executive Directors; Mr. Wong Yuk Lun Alan, Mr. Lam Wai Hung and Ms. Au Shui Ming Anna as independent non-executive Directors.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the Latest Listed Company Information page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of its publication and on the Company's website at [www.smartcity-d.com](http://www.smartcity-d.com).*