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SMART CITY DEVELOPMENT HOLDINGS LIMITED

智城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8268)

DISCLOSEABLE TRANSACTION PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE BONDS

THE AMENDMENT DEED RELATING TO THE BONDS

On 6 May 2024 (after trading hours), the Issuer executed the Amendment Deed by way of deed poll pursuant to which the Issuer agreed to amend certain terms and conditions of the Bonds, which will take effect on 22 August 2024.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the transactions contemplated under the Amendment Deed are more than 5% but all are less than 25%, the transactions contemplated under the Amendment Deed constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

References are made to the Announcement dated 11 August 2022 in relation to the subscription of the Bonds. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 11 August 2022, Latest Ventures (a direct wholly-owned subsidiary of the Company) as subscriber entered into the Subscription Agreement with the Issuer, pursuant to which Latest Ventures has conditionally agreed to subscribe for, and the Issuer has conditionally agreed to issue the Bonds in the aggregate principal amount of HK\$20,000,000.

THE AMENDMENT DEED RELATING TO THE BONDS

On 6 May 2024 (after trading hours), the Issuer executed the Amendment Deed by way of deed poll pursuant to which the Issuer agreed to amend certain terms and conditions of the Bonds, which will take effect on 22 August 2024.

Date: 6 May 2024

Subscriber: Latest Ventures

Issuer: Deson Development International Holdings Limited, a company incorporated in Bermuda with limited liability, which shares are listed on the Main Board of the Stock Exchange

The Amendment Deed amends, supplements and restates the Bonds Instrument. The terms of the Bonds Instrument and the Bonds Certificate issued by the Issuer to Latest Venture on 22 August 2022 in respect of the Bonds will be read and construed and be enforceable as if the Amendments of Conditions, which will take effect from 22 August 2024, were inserted therein by way of addition or substitution, as the case may be.

Pursuant to the Amendment Deed, the Issuer undertakes and agrees to:

- (i) repay part of the principal amount under the Bond in the sum of HK\$5,000,000 on 21 August 2024 thereby reducing the principal amount of the Bond to HK\$15,000,000; and
- (ii) extend the maturity date for a further two years from 21 August 2024 (originally) to 21 August 2026.

Below is the comparison of differences between the original conditions and the Amendments of Conditions as contemplated under the Amendment Deed:

	Original Terms and Conditions	Amendments of Conditions as contemplated under the Amendment Deed
Bond(s)	the 2-year 7 percent (7%) coupon unlisted and unsecured bonds in the aggregate principal amount of HK\$20,000,000 due on the Maturity Date, to be issued by the Issuer to Latest Ventures at the closing pursuant to the Subscription Agreement with the benefit of and subject to the provisions of the Terms and Conditions.	the 2-year 7 percent (7%) coupon unlisted and unsecured bonds in the aggregate principal amount of HK\$15,000,000 due on the Maturity Date, issued by the Issuer to Latest Ventures on 22 August 2022 pursuant to the Subscription Agreement dated 11 August 2022 with the benefit of and subject to the provisions of the Terms and Conditions.
Principal Amount	the aggregate principal amount of the Bonds is limited to HK\$20,000,000.	the aggregate principal amount of the Bonds is limited to HK\$15,000,000.
Maturity Date	means the second (2nd) anniversary of the date of issuance of the Bonds (or if that is not a Business Day, the last Business Day there before).	means the second (2nd) anniversary from 22 August 2024 (or if it is not a Business Day, the last Business Day there before).

Save as disclosed above, the principal terms of the Bonds as disclosed in the Announcement remain unchanged and are still in full force and effect.

REASONS FOR THE AMENDMENTS OF CONDITIONS

In light of timely payment of coupons (which generated investment income to the Group) and agreed partial repayment of principal of the Bonds by the Issuer and after good faith negotiations between the Issuer and Latest Ventures, the Issuer has agreed to execute the Amendment Deed. The Amendments of Conditions not only enable Latest Ventures to generate more investment income, but also provide Latest Ventures with better flexibility to manage its securities investment portfolio.

Having considered the above, the Directors are of the view that the Amendment Deed is entered into on normal commercial terms, and the terms set out in the Amendment Deed are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the transactions contemplated under the Amendment Deed are more than 5% but all are less than 25%, the transactions contemplated under the Amendment Deed constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is principally involved in the following activities: (i) acting as a contractor in the construction business to provide building construction works, electrical and mechanical engineering works and alterations, addition, renovation, refurbishment and fitting-out works, mainly in Hong Kong and Macau; (ii) investment in marketable securities; (iii) investment in properties; and (iv) money lending.

Latest Ventures is a company incorporated in the British Virgin Islands with limited liability on 18 June 2014 and is a direct wholly-owned subsidiary of the Company. It is an investment holding company.

INFORMATION OF THE ISSUER

The Issuer is a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Issuer is an investment holding company and its subsidiaries are currently principally engaged in (i) property development and investment; (ii) trading of medical equipment and home security and automation products; and (iii) operation of a hotel.

To the best of the Board's knowledge and information, the Issuer is owned as to approximately 35.79% by Sparta and 8.79% by Mr. Tjia Boen Sien, and Sparta is ultimately beneficially wholly-owned by Mr. Tjia Boen Sien.

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are Independent Third Parties.

DEFINITIONS

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

“Amendment Deed”	the amendment deed by way of deed poll to the Bonds Instrument executed by the Issuer on 6 May 2024 in relation to the Amendments of Conditions;
“Amendments of Conditions”	the proposed amendment of certain terms and conditions of the Bonds, which will take effect from 22 August 2024, pursuant to the Amendment Deed;
“Announcement”	the announcement published by the Company on 11 August 2022 in relation to the Subscription;
“Bond(s)”	the bonds in the aggregate principal amount of HK\$20,000,000, which shall be revised to HK\$15,000,000 pursuant to the Amendment Deed, with a coupon rate of 7% per annum due on the Maturity Date issued by the Issuer on 22 August 2022 subscribed by Latest Ventures from the Issuer pursuant to the Subscription Agreement;
“Bonds Certificate”	the bonds certificate to the Bonds;
“Bonds Instrument”	the instrument by way of deed poll executed by the Issuer on 22 August 2022 creating and constituting the Bonds;
“Business Day”	a day other than a Saturday, Sunday or public holiday on which commercial banks are opened for business in Hong Kong;
“Company”	Smart City Development Holdings Limited (智城發展控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM”	GEM operated by the Stock Exchange;

“GEM Listing Rules”	the Rules Governing the Listing of Securities on 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 PRC;
“Independent Third Parties”	persons independent of the Company and its connected persons (as defined in the GEM Listing Rules);
“Issuer”	Deson Development International Holdings Limited (迪臣發展國際集團有限公司*), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Latest Ventures”	Latest Ventures Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company;
“Maturity Date”	the maturity date of the Bonds originally to be on 21 August 2024 which will be extended to 21 August 2026 pursuant to the Amendment Deed;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Shareholders”	holders of the Share(s);
“Share(s)”	ordinary share(s) of the Company;
“Sparta”	Sparta Asset Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling shareholder of the Issuer holding approximately 35.79% of the total issue share capital of the Issuer;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

* *For identification purpose only*

“Subscription”	the subscription of the Bonds pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 11 August 2022 entered into among Latest Ventures and the Issuer;
“Terms and Conditions”	the terms and conditions of the Bonds;
“%”	per cent.

By Order of the Board
Smart City Development Holdings Limited
Hung Kenneth
Executive Director

Hong Kong, 6 May 2024

As at the date of this announcement, the Board comprises Mr. Hung Kenneth and Ms. Lau Po Yee as executive Directors and 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 website of The Stock Exchange of Hong Kong Limited at <https://www.hkexnews.hk> on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and on the Company’s website at www.smartcity-d.com.