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LANDRICH HOLDING LIMITED

譽樂豐控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2132)

CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE PROPERTY

THE ACQUISITION OF THE PROPERTY

The Board is pleased to announce that on 3 May 2024 (after trading hours), the Purchaser and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Seller agreed to sell, the Property at the Consideration. The Consideration will be settled in cash, which is expected to be funded by internal resources of the Group. The Consideration is in line with the estimated market value of the Property as appraised by an independent property valuer.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Property is wholly-owned by the Seller. As the Seller is indirectly wholly-owned by Mr. Tsui Kai Kwong, an executive Director and a Controlling Shareholder, the Seller is accordingly a connected person of the Company. The Acquisition therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. INTRODUCTION

The Board is pleased to announce that on 3 May 2024 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Seller entered into the Sale and Purchase Agreement, pursuant to which the Purchaser agreed to acquire, and the Seller agreed to sell, the Property at the Consideration of HK\$6,110,000 in cash.

2. THE ACQUISITION

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date: 3 May 2024

Parties: (1) the Purchaser; and
(2) the Seller

Asset to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to acquire, and the Seller agreed to sell, the Property.

The Property is located at Unit No. 07 on the 19th Floor, One Midtown, No. 11 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong, with a saleable floor area of approximately 648 sq.ft. After the Acquisition, the Property will be principally used as a storage room and office.

Based on the information provided by the Seller, the original acquisition cost of the Property was approximately HK\$6,980,000.

The Consideration

The Consideration was determined after arm's length negotiations between the Seller and the Purchaser on normal commercial terms with reference to (i) the appraised value of the Property as at 10 April 2024 of HK\$6,110,000 contained in the valuation report issued by an independent property valuer in Hong Kong; and (ii) the prevailing market conditions.

The Consideration of HK\$6,110,000 shall be settled in cash on 3 May 2024. The Consideration is expected to be funded by internal resources of the Group.

All stamp duties shall be borne by the Purchaser. It is estimated that the stamp duties will be approximately HK\$146,100.

Condition precedent

Completion is conditional upon and subject to the Seller giving and proving 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).

Completion

Completion shall take place on 3 May 2024 subject to the fulfillment of the condition precedent mentioned above or such other date as the Seller and Purchaser may agree in writing. Upon Completion, the Seller shall deliver vacant possession of the Property to the Purchaser.

3. INFORMATION OF THE GROUP AND THE PURCHASER

The Company is an investment holding company. The Group principally provides civil engineering works which can be broadly categorized as (i) roads and drainage works; and (ii) site formation works. The Group also performs building works. The Purchaser is an indirectly wholly-owned subsidiary of the Company and its principal business activity is providing construction engineering services.

4. INFORMATION OF THE SELLER

The Seller is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Mr. Tsui Kai Kwong, an executive Director. The principal activity of the Seller is property investment.

5. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board believes that the Acquisition would secure the use of the Property by the Group, while at the same time improving the operating cash flow of the Group in the long run by saving rental expenses. By acquiring the Property, the Group may also enjoy potential capital appreciation in the future and mitigate the Group's exposure to future rental increment.

Due to (i) Mr. Tsui Kai Kwong's beneficial interests in the Seller; and (ii) the relationship between Mr. Tsui Kai Kwong, Mr. Tsui Tsz Yeung Ian and Ms. Tsui Wai Yeung Janis, each of Mr. Tsui Kai Kwong, Mr. Tsui Tsz Yeung Ian and Ms. Tsui Wai Yeung Janis is regarded as having a material interest in the transaction contemplated under the Acquisition, and has abstained from voting on the relevant resolutions of the Board for approving the Acquisition.

The Directors confirmed that, save for the Abstained Directors, none of them have a material interest in the Acquisition and the transaction contemplated thereunder, and none of them were required to abstain from voting in respect of the relevant Board resolution.

The Board (excluding the Abstained Directors but including the independent non-executive Directors) is of the view that although the Acquisition is not in the ordinary and usual course of business of the Group, the Acquisition is in the interests of the Company and the Shareholders as a whole and the terms of the Acquisition are fair and reasonable and on normal commercial terms or better.

6. LISTING RULES IMPLICATIONS

As at the date of this announcement, the Property is wholly-owned by the Seller. As the Seller is indirectly wholly-owned by Mr. Tsui Kai Kwong, an executive Director and a Controlling Shareholder, the Seller is accordingly a connected person of the Company. The Acquisition therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

7. DEFINITIONS

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

“Abstained Directors”	Mr. Tsui Kai Kwong, Mr. Tsui Tsz Yeung Ian and Ms. Tsui Wai Yeung Janis
“Acquisition”	the acquisition of the Property pursuant to the Sale and Purchase Agreement
“Board”	the board of the Directors
“Company”	Landrich Holding Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which have been listed on the main board of the Stock Exchange since 20 October 2020
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$6,110,000 for the Acquisition which is to be settled in cash
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	the director(s) of the Company
“Group”	Collectively, the Company and its subsidiaries from time to time
“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
“Property”	the property situated at Unit No. 07 on the 19th Floor, One Midtown, No. 11 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong
“Purchaser”	Time Concept Construction Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Purchaser and the Seller on 3 May 2024 (after trading hours) in respect of the sale and purchase of the Property
“Seller”	Fame Most Limited, a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Mr. Tsui Kai Kwong
“Shareholder(s)”	holder(s) of the ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.ft.”	square feet
“%”	per cent.

By Order of the Board
Landrich Holding Limited
Tsui Kai Kwong
Chairman and Executive Director

Hong Kong, 3 May 2024

As at the date of this announcement, the Board comprises Mr. Tsui Kai Kwong, Mr. Tsui Tsz Yeung Ian and Ms. Tsui Wai Yeung Janis as executive Directors; and Mr. Lee Yan Kit, Mr. Lee Kin Kee and Mr. Kwong Ping Man as independent non-executive Directors.