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**ALTUS**  
**ALTUS HOLDINGS LIMITED**  
**浩德控股有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8149)**

**DISCLOSEABLE TRANSACTION**  
**ACQUISITION OF PROPERTY**

**Financial adviser to the Company**

**ALTUS CAPITAL LIMITED**

The Board is pleased to announce that on 16 March 2020, the Group, through the Purchaser had entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has agreed to acquire the Property from the Vendor for a cash consideration of JPY145.0 million (equivalent to approximately HK\$10.5 million).

As the highest applicable percentage ratio as defined under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 16 March 2020, the Purchaser had entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser has agreed to acquire from the Vendor the Property for a cash consideration of JPY145.0 million (equivalent to approximately HK\$10.5 million).

**THE SALE AND PURCHASE AGREEMENT**

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

Date: 16 March 2020

Parties: The Vendor

The Purchaser

Subject of the Acquisition: The Property

## **1. The Vendor**

The Vendor is an individual. 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.

## **2. The Purchaser**

The Purchaser is a company incorporated in Japan with limited liability on 8 September 2005. It is the TK Operator of a TK Arrangement in which Starich is the TK Investor, and the Company is indirectly beneficially interested in all the economic benefits of the Purchaser's property interests. Pursuant to HKFRS 10 Consolidated Financial Statements, the Purchaser is considered as a controlled entity of the Company.

## **3. The subject of the Acquisition**

The Property is a five-storey building with a total floor area of approximately 652.1 square metres, comprising 19 residential units. The Property was built in 2010 and is located at 1-Chome 4-19 Kikusui 3-Jo, Shiroishi-ku, Sapporo, Japan which is less than 2 km from the Odori Park area in city center of Sapporo. The Property is about 5-minute walk from the Tozai Line Kikusui subway station. It is designated for residential use and 18 out of 19 units are currently occupied by tenants.

The Property shall be sold to the Purchaser free from encumbrances.

Set out below is a summary of the Property's performance based on the monthly rental report provided by the Vendor for the 12 months ended 31 December 2019. Historical operating expenses information of the Property is not available.

### **The Property**

|  |                 |
|--|-----------------|
| Average occupancy rate for the 12 months ended<br>31 December 2019 (in terms of units) | 96.5%           |
| Total rental income for the 12 months ended<br>31 December 2019                        | JPY11.3 million |

## **4. The Consideration**

The Consideration of JPY145.0 million (equivalent to approximately HK\$10.5 million) was determined after arm's length negotiations between the Purchaser and the Vendor. When determining the Consideration, the Directors have taken into account (i) the prime location of the Property; (ii) market prices of properties of similar size and usage; (iii) the potential net rental yield of the Property which is expected to be approximately 5.7%; (iv) the net rental yields of other properties held by the Group in Sapporo; and (v) the assessment report issued by an independent real estate service company on the indicative market value of the Property at JPY 150.0 million. The Directors believe that the above provides a reasonable basis in its assessment of the investment potential and value of the Property.

## **5. Payment method**

The Purchaser had paid the Deposit of JPY5.0 million (equivalent to approximately HK\$0.4 million) to the Vendor on the date of the Sale and Purchase Agreement.

The remaining balance of JPY140.0 million (equivalent to approximately HK\$10.1 million) will be settled in full by the Purchaser to the Vendor on Completion.

The Acquisition will be funded by the Group's existing financial resources and bank borrowings secured on certain of the Purchaser's properties.

## **6. Completion**

Completion is expected to take place on or around 31 March 2020.

In the event where the Vendor terminates the Sale and Purchase Agreement before Completion, the Vendor is liable to return the Deposit and pay an equivalent amount of the Deposit to the Purchaser. In the event where the Purchaser terminates the Sale and Purchase Agreement before Completion, the Purchaser has to give up its rights on the Deposit.

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

The Company is, through its operating subsidiaries, principally engaged in corporate finance in Hong Kong and property investment in Japan and Hong Kong. When investing in Japanese properties, the Group's objective is to receive steady income and/or achieve capital appreciation, focusing on freehold properties in major cities and city centers of regional hubs.

The Property, which will be financed by the Group's existing financial resources and bank borrowings, will add on to the Group's existing portfolio and is expected to contribute to a steady gross rental income of approximately JPY11.6 million (equivalent to approximately HK\$0.8 million) per year. The Acquisition will also strengthen the Group's portfolio presence in the northern part of Japan. Going forward, the Group intends to continue to expand and diversify its property investment portfolio in line with its investment strategies as stated in its annual report for the year ended 31 March 2019 when appropriate investment opportunities arise.

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 Acquisition is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATION UNDER THE GEM LISTING RULES**

As the highest applicable percentage ratio as defined under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

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

|                                |  |
|--------------------------------|--|
| “Acquisition”                  | acquisition of the Property by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement                     |
| “Board”                        | the board of directors   |
| “Company”                      | Altus Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange |
| “Completion”                   | completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement  |
| “Consideration”                | the consideration for the Acquisition, being JPY145,000,000  |
| “Deposit”                      | the deposit of a sum of JPY5.0 million paid by the Purchaser to the Vendor pursuant to the Sale and Purchase Agreement                                   |
| “Director(s)”                  | director(s) of the Company   |
| “GEM Listing Rules”            | the Rules Governing the Listing of Securities on GEM of the Stock Exchange   |
| “Group”                        | the Company and its subsidiaries   |
| “HKFRS”                        | Hong Kong Financial Reporting Standard issued by the HKICPA  |
| “HKICPA”                       | the Hong Kong Institute of Certified Public Accountants  |
| “Independent Third Party(ies)” | person(s) or company(ies) who/which is/are not connected with the Company and its connected persons  |
| “Property”                     | the subject asset to be acquired by the Purchaser under the Sale and Purchase Agreement  |
| “Purchaser”                    | YK Hourei  |

|                               |   |
|-------------------------------|---|
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 16 March 2020 and entered into between the Purchaser and Vendor in relation to the acquisition of the Property  |
| “Share(s)”                    | ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company   |
| “Shareholder(s)”              | holder(s) of Shares from time to time   |
| “Starich”                     | Starich Resources Limited, a company incorporated in British Virgin Islands with limited liability on 28 February 2000, an indirect wholly-owned subsidiary of the Company and the TK Investor of a TK Arrangement with YK Hourei as the TK Operators   |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited   |
| “subsidiary”                  | has the meaning ascribed thereto under the GEM Listing Rules  |
| “TK Agreement”                | an agreement entered into between a TK Operator and a TK Investor pursuant to a TK Arrangement  |
| “TK Arrangement”              | a Japanese tokumei kumiai arrangement entered into between a TK Investor and a TK Operator, whereby TK Investor will provide funds to the TK Operator in return for income derived from the management and operational activities of the TK Operator  |
| “TK Investor”                 | a subsidiary of the Company which enters into a TK Agreement with a TK Operator pursuant to a TK Arrangement  |
| “TK Operator”                 | a Japanese limited liability company which holds or owns real estate and which enters into a TK Agreement with a TK Investor  |
| “Vendor”                      | Mr. Fujiwara Shinya, an Independent Third Party   |
| “YK Hourei”                   | Yugen Kaisha Hourei, the Purchaser, a company incorporated in Japan with limited liability on 8 September 2005 and the TK Operator of a TK Arrangement which Starich is the TK Investor. The Company is indirectly beneficially interested in all the economic benefits of its property interests |
| “%”                           | per cent  |

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“JPY”

Japanese yen, the lawful currency of Japan

By order of the Board of  
**Altus Holdings Limited**  
**Arnold Ip Tin Chee**  
*Chairman and Executive Director*

Hong Kong, 16 March 2020

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of Stock Exchange for the purpose of giving information with regard to the Company. The Directors, 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.*

*As at the date of this announcement, the executive Directors are Mr. Arnold Ip Tin Chee (Chairman), Mr. Chang Sean Pey and Ms. Leung Churk Yin Jeanny; and the independent non-executive Directors are Mr. Chao Tien Yo, Mr. Chan Sun Kwong and Mr. Lee Shu Yin.*

*Conversion of JPY into HK\$, and vice versa, are made in this announcement for illustration purposes only and unless otherwise stated, is based on the exchange rate of JPY 1=HK\$0.0721 (on 16 March 2020). Such conversion shall not be construed as representation that any amount in HK\$ and JPY were, may have been, or will be converted into those currencies, or vice versa, in the above rates or at any other rates.*

*This announcement will remain on the “Latest Company Announcements” page of GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and our Company’s website at [www.altus.com.hk](http://www.altus.com.hk).*