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**Town Ray Holdings Limited**

**登輝控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 1692)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF A PROPERTY**

The Board is pleased to announce that on 1 September 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor and the Agent, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Property at a consideration of HK\$49,747,600.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **THE ACQUISITION**

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### **THE PROVISIONAL AGREEMENT**

**Date:** 1 September 2021

**Parties:**

- (1) Gigalink Investments Limited as vendor;
- (2) Kwun Tong 1008 Properties Limited as purchaser; and
- (3) Flourish Property Agency (C.I.S.) Limited as property agent of the Vendor and the Purchaser.

## **Property to be acquired**

The Property to be acquired is Workshop A on 25th Floor, Reason Group Tower, No. 403 Castle Peak Road, Kwai Chung, New Territories. The Property has a gross floor area of approximately 9,128 square feet. Pursuant to the Provisional Agreement, upon Completion, the Vendor shall deliver vacant possession of the Property to the Purchaser on an “as is” basis free from any encumbrances.

## **Consideration**

The consideration for the Acquisition is HK\$49,747,600 which shall be paid by the Purchaser to the Vendor as follows:

- (a) an initial deposit of HK\$2,487,380 has been paid upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$2,487,380 shall be paid upon signing of the Formal Agreement on or before 15 September 2021; and
- (c) the remaining balance of HK\$44,772,840 shall be paid upon the Completion, which shall take place on or before 18 January 2022.

The Consideration was agreed between the Vendor and the Purchaser after arm’s length negotiations with reference to, amongst other things, the current market value of comparable properties of similar characteristics in the vicinity and current property market condition. The Consideration will be financed by the Group’s internal resources and bank borrowings.

Pursuant to the Provisional Agreement, the Purchaser agreed to pay HK\$248,738 to the Agent as the property agency fee on the part of the Purchaser. The ad valorem stamp duty in relation to the Acquisition shall be paid by the Purchaser.

## **Formal Agreement**

Pursuant to the terms of the Provisional Agreement, the Vendor and the Purchaser shall enter into the Formal Agreement on or before 15 September 2021.

## **INFORMATION OF THE PURCHASER AND THE GROUP**

### **The Purchaser**

The Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of property holding.

### **The Group**

The Group is principally engaged in the manufacture and sale of electrothermic household appliances. The Group is an advanced product developer and industrial designer as well as manufacturer and supplier for a broad range of electrothermic household appliances mainly to overseas markets, covering over 30 countries and regions to cater for the requirements of different customers.

## INFORMATION OF THE VENDOR AND THE AGENT

### The Vendor

The Vendor is a company incorporated in Hong Kong with limited liability and an investment company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

### The Agent

The Agent is a licensed estate agent in Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Agent and its ultimate beneficial owners are Independent Third Parties.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the section headed "Relationship with our Controlling Shareholders" in the prospectus of the Company dated 15 October 2019, Tunbow Group Limited ("**TGL**"), an indirect wholly-owned subsidiary of the Company, is currently leasing its workshop, godown and ancillary office at 10th Floor, Block A, Chung Mei Centre, 15 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong (the "**Chung Mei Premises**") at a monthly rent of HK\$83,790 (the "**Chung Mei Lease**") from Tunbow Properties Limited, a connected person of the Company, which is indirectly owned by Dr. Chan Kam Kwong Charles, the Chairman and non-executive Director, and Ms. Cheng Yuk Sim Connie, the non-executive Director, as to approximately 78.2% of the issued share capital of Tunbow Properties Limited. As such, upon the expiry of its current term, the renewal of the Chung Mei Lease will constitute a connected transaction and will be subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapters 14A of the Listing Rules.

In addition, TGL is currently leasing its research and development centre at unit no. B07, 3rd Floor, Block B, Chung Mei Centre, 15 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong (the "**R&D Centre**") at a monthly rent of HK\$27,550 from an Independent Third Party for the term of two years commencing on 1 February 2020 and expiring on 31 January 2022.

Upon the Completion, the Board currently intends to move the existing workshop, godown and ancillary office at Chung Mei Premises and the R&D Centre to the Property and the Group will no longer be necessary to continue to renew the Chung Mei Lease and the lease of the R&D Centre when the Property is ready for use.

The Property is located at Kwai Chung district of Hong Kong, one of the major industrial areas in Hong Kong. The Group puts strong emphasis on the importance of product development by establishing a research and development department in Hong Kong, whose tasks include industrial design, mechanical engineering, electronic engineering and graphic design. It is intended that the Property will be used as the new research and development centre of the Group, which allows more room for expansion than the existing R&D Centre. The Board believes that the Acquisition will strengthen the asset base of the Group and reduce rental payment of the Group in the long run.

In view of the above, the Directors consider the terms of the Provisional Agreement are fair and reasonable and the Acquisition is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition”	acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement
“Agent”	Flourish Property Agency (C.I.S.) Limited, a licenced estate agent in Hong Kong and the joint property agent of the Vendor and the Purchaser
“Board”	the board of Directors
“Company”	Town Ray Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1692)
“Completion”	completion of the Acquisition, which shall take place on or before 18 January 2022
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property pursuant to the provisions of the Provisional Agreement, which shall be entered into on or before 15 September 2021
“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”	a party and if applicable, the ultimate beneficial owner(s) of the party who is/are not the Group’s connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Workshop A on 25th Floor, Reason Group Tower, No. 403 Castle Peak Road, Kwai Chung, New Territories
“Provisional Agreement”	the provisional agreement for sale and purchase dated 1 September 2021 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	Kwun Tong 1008 Properties Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Gigalink Investments Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

By order of the Board  
**TOWN RAY HOLDINGS LIMITED**  
**Chan Kam Kwong Charles**  
*Chairman and non-executive Director*

Hong Kong, 1 September 2021

*As at the date of this announcement, the Board comprises Mr. Chan Wai Ming, Mr. Chiu Wai Kwong, Ms. Tang Mei Wah and Mr. Yu Kwok Wai as executive Directors; Dr. Chan Kam Kwong Charles and Ms. Cheng Yuk Sim Connie as non-executive Directors and Mr. Chan Ping Yim, Mr. Choi Chi Leung Danny and Mr. Chan Shing Jee as independent non-executive Directors.*