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## **ABLE ENGINEERING HOLDINGS LIMITED**

**安保工程控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1627)

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF 50% ISSUED SHARES OF  
LANON DEVELOPMENT LIMITED;  
(2) CONTINUING CONNECTED TRANSACTION  
IN RELATION TO  
THE ENTERING INTO FRAMEWORK SUBCONTRACTING  
AGREEMENT; AND  
(3) CONTINUING CONNECTED TRANSACTION  
IN RELATION TO  
THE ENTERING INTO FRAMEWORK CONTRACTING AGREEMENT**

**Independent Financial Advisor to the Independent Board Committee and  
the Independent Shareholders**

**AmCap**  
*Ample Capital Limited*  
豐盛融資有限公司

### **THE ACQUISITION**

The Board is pleased to announce that on 18 February 2022 (after trading hours), Caulfield Global (an indirect wholly-owned subsidiary of the Company) as the buyer, Lanon Holdings as the seller and Mr. WY NGAI as the Personal Guarantor entered into the Agreement, pursuant to which Lanon Holdings has conditionally agreed to sell, and Caulfield Global has conditionally agreed to acquire the Sale Shares (representing 50% of the entire issued shares of Lanon Development) at a consideration of HK\$125,000,000. In accordance with the terms and conditions of the Agreement, the Consideration will be paid in cash by Caulfield Global at Completion.

Pursuant to the Agreement, Lanon Holdings, Caulfield Global and Lanon Development shall enter into a Shareholders' Agreement at completion in view of regulating their rights and obligations as shareholders of Lanon Development.

### **THE FRAMEWORK SUBCONTRACTING AGREEMENT**

The Board is pleased to announce that on 18 February 2022 (after trading hours), Lanon Development (as the contractor) and the Company (for and on behalf of itself and any of its subsidiaries) (as the subcontractor) entered into the Framework Subcontracting Agreement, pursuant to which Lanon Development may engage the members of the Group as subcontractor from time to time in respect of the provision of contracting services in relation to building construction and RMAA works in Hong Kong.

### **THE FRAMEWORK CONTRACTING AGREEMENT**

The Board is pleased to announce that on 18 February 2022 (after trading hours), the Company (for and on behalf of itself and any of its subsidiaries) (as the contractor) and Lanon Development (as the subcontractor) entered into the Framework Contracting Agreement, pursuant to which the Group may engage Lanon Development as subcontractor from time to time in respect of the provision of contracting services in relation to civil engineering works, building construction and RMAA works in Hong Kong.

### **LISTING RULES IMPLICATIONS**

#### **The Acquisition**

##### ***Discloseable transaction***

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

##### ***Connected transaction***

As at the date of this announcement, Lanon Holdings is indirectly and wholly-owned by Mr. WY NGAI. Mr. WY NGAI is the son of Mr. CH NGAI, the chairman, an executive Director and a controlling Shareholder of the Company. Accordingly, Lanon Holdings is regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

As Lanon Holdings is beneficially owned and ultimately controlled by Mr. WY NGAI, the entering into of the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% and the total consideration is more than HK\$10 million, the entering into of the Agreement and the transactions contemplated thereunder, including but not limited to the Acquisition, are therefore subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **The Framework Subcontracting Agreement**

#### **Continuing Connected Transaction**

As at the date of this announcement, the entire issued shares of Lanon Development is held by Lanon Holdings, which in turn is ultimately wholly and beneficially owned by the Mr. WY NGAI; whilst Lanon Development shall be owned as to 50% by Lanon Holdings and 50% by Caulfield Global upon Completion of the Acquisition.

As mentioned above, (a) Mr. WY NGAI is the son of Mr. CH NGAI, the chairman, an executive Director and a controlling shareholder of the Company; and (b) Caulfield Global is an indirectly and wholly-owned subsidiary of the Company. Accordingly, Lanon Development is regarded as a connected person of the Company prior to and upon Completion of the Acquisition under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the largest proposed annual caps in respect of the subcontracting fees payable from Lanon Development to the Group under the Framework Subcontracting Agreement are more than 5% and more than HK\$10 million, the entering into of the Framework Subcontracting Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and are therefore subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### ***The Framework Contracting Agreement***

#### **Continuing Connected Transaction**

As mentioned above, Lanon Development is regarded as a connected person of the Company prior to and upon Completion of the Acquisition under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the largest proposed annual caps in respect of the subcontracting fees payable from the Group to Lanon Development under the Framework Contracting Agreement are more than 5% and more than HK\$10 million, the entering into of the Framework Contracting Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and are therefore subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the independent Shareholders on the terms of the Agreement (including the entering into of the Shareholders' Agreement at Completion), the Framework Subcontracting Agreement and the Framework Contracting Agreement and the transactions contemplated thereunder. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Agreement (including the entering into of the Shareholders' Agreement at Completion) and the Framework Agreements.

Ample Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the independent Shareholders in respect of the Agreement (including the entering into of the Shareholders' Agreement at Completion), the Framework Subcontracting Agreement, the Framework Contracting Agreement and the transactions contemplated thereunder and as to voting.

The EGM will be convened and held for the independent Shareholders to consider and, if thought fit, approve, the Agreement (including the entering into of the Shareholders' Agreement at Completion), the Framework Subcontracting Agreement, the Framework Contracting Agreement and the transactions contemplated thereunder including, but not limited to, the Acquisition.

A circular containing, among other things, (i) further details of the Acquisition (including the entering into of the Shareholders' Agreement at Completion), the Framework Subcontracting Agreement and the Framework Contracting Agreement; (ii) recommendation of the Independent Board Committee; (iii) letter of advice from the Independent Financial Adviser; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the EGM and a form of proxy is expected to be despatched by the Company to the Shareholders on or before 11 March 2022.

**Completion is subject to fulfilment of the relevant conditions, and the Acquisition and the entering into of each of the Framework Subcontracting Agreement and the Framework Contracting Agreement may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **THE ACQUISITION**

The Board is pleased to announce that on 18 February 2022 (after trading hours), Caulfield Global (an indirect wholly-owned subsidiary of the Company) as buyer, Lanon Holdings as seller and Mr. WY Ngai as the Personal Guarantor entered into the Agreement, pursuant to which Lanon Holdings has conditionally agreed to sell, and Caulfield Global has conditionally agreed to acquire, 50% of the issued shares of Lanon Development held by Lanon Holdings at a consideration of HK\$125,000,000. In accordance with the terms and conditions of the Agreement, the Consideration will be paid in cash by Caulfield Global at completion.

Summarised below are the principal terms of the Agreement:

## **THE AGREEMENT**

**Date:** 18 February 2022

**Parties:** Lanon Holdings Limited (as the seller);  
Caulfield Global Limited (as the buyer), an indirect wholly-owned subsidiary of the Company; and  
Mr. NGAI Wing Yin (as the Personal Guarantor)

### **Assets to be acquired**

Pursuant to the Agreement, Lanon Holdings has conditionally agreed to sell and Caulfield Global has conditionally agreed to acquire the Sale Shares, which represents 50% the entire issued shares of Lanon Development. The Sale Shares will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid after the date of Completion.

Upon Completion, Lanon Development will be held as to 50% by each of Caulfield Global and Lanon Holdings, respectively. Accordingly, Lanon Development will not be a subsidiary of the Company and its assets, liabilities and financial performance will not be consolidated into the consolidated financial statements of the Company.

### **Consideration**

The Consideration is HK\$125,000,000. In accordance with the terms and conditions of the Agreement, the Consideration will be paid in cash by Caulfield Global to Lanon Holdings on the date of Completion.

The Consideration was determined after arm's length negotiations between the parties to the Agreement by reference to, among others:

1. the unaudited net asset value of Lanon Development as at 31 December 2021 in an amount of approximately HK\$125 million; and
2. the complementary licences and qualifications that Lanon Development (but not members of the Group) possess as at the date of this announcement (for details please refer to the list of major license and qualifications as shown under the section "REASONS AND BENEFITS OF THE ACQUISITION").

The Directors intends to finance the Acquisition with the Group's internal resources.

## Conditions

Completion of the Acquisition is subject to and conditional upon, including but not limited to, the fulfilment (or waiver) of the following conditions:

- (a) the passing of all resolutions approving the entering into the Agreement by Caulfield Global and the performance of the transactions contemplated hereunder including, but not limited to, the Acquisition and the entering into of the Shareholders' Agreement at Completion, by the independent Shareholders (who are entitled to vote and are not required to abstain from voting under the Listing Rules) at the EGM in accordance with the relevant provisions in the Listing Rules, the articles of the association of the Company and the applicable laws and regulations in Hong Kong and other applicable jurisdictions;
- (b) each of the warranties provided under the Agreement being accurate as at the date of the Agreement and as at the date of Completion;
- (c) Caulfield Global having completed its due diligence over the business, assets, financial results and performance, material contracts, licenses, legal aspects and corporate structure of Lanon Development, and being satisfied with the results of the due diligence in its absolute discretion;
- (d) the parties to the Agreement and Lanon Development having obtained (or otherwise entered into supplemental agreement(s) for such purposes) all necessary approvals, consents or clearances from third parties, including but not limited to the landlord of any tenancy agreement(s), as required in respect of this Agreement and the transactions contemplated thereunder; and
- (e) in connection with the transactions contemplated under the Agreement:
  - (i) all requisite filings or registrations with all applicable government entities having been made;
  - (ii) all requisite governmental authorisations from all applicable governmental entities, on terms and conditions reasonably satisfactory to Caulfield Global, having been obtained; and
  - (iii) no proceedings that seek to restrain, prohibit, declare illegal, or otherwise challenge or interfere or obtain relief having been instituted or threatened.

Caulfield Global may at any time waive, by written notice to Lanon Holdings, in whole or in part of any of the conditions above, except conditions (a) and (e)(ii) above.

The long stop date for the fulfilment of the conditions to the Agreement is 31 May 2022. If the conditions are not fulfilled or waived (as the case may be) on or before 31 May 2022, then unless the parties mutually agree to further extend the long stop date, the parties to the Agreement are not obliged to complete the Acquisition and the Agreement may be terminated by written notice by one party to the Agreement to the others.

## Completion

Completion of the Agreement shall take place on or before the fifth (5th) Business Day after the fulfilment or waiver of all the conditions (other than those conditions that by their terms are intended to or may be fulfilled at Completion) or on such other date as the parties to the Agreement may agree in writing.

## The Shareholders' Agreement

Pursuant to the Agreement, Lanon Holdings, Caulfield Global and Lanon Development shall enter into a Shareholders' Agreement at Completion. The purpose of the Shareholders' Agreement is to govern the relationship between, and to provide for rights and obligations of, Caulfield Global and Lanon Holdings as shareholders of Lanon Development.

The following table summarises the principal terms of the Shareholders' Agreement to be entered into by Lanon Holdings, Caulfield Global and Lanon Development at Completion, inter alia:

- |                   |   |  |
|-------------------|---|--|
| Business          | : | The shareholders of Lanon Development shall procure Lanon Development to conduct only its business in the provision of civil engineering works, and building construction and RMAA works (or such other business as may be agreed by the shareholders from time to time)(the " <b>Business</b> "). |
| Board composition | : | The maximum number of directors shall be eight (8). Each shareholders shall have the right to nominate and remove such number of directors which would result in directors representing each of shareholders in proportion to their shareholdings in Lanon Development from time to time.          |
| Financing         | : | The capital and cash requirements of Lanon Development from the shareholders shall be satisfied by each shareholders' contribution pursuant to their shareholding in Lanon Development.  |

Each shareholder shall use all reasonable endeavours to arrange borrowings in the form of loans or overdraft facilities from banks or other financial institutions for Lanon Development as required by the board of Lanon Development from time to time. Each of the shareholders shall, if requested by a lender as a condition of granting any such facility, offer to guarantee the facility on terms agreed between the lender and the shareholder concerned. The potential liability of the shareholders in respect of any such guarantees shall be provided pursuant to their shareholding in Lanon Development and on a several (but not a joint and several) basis.

- Reserved Matter : Unless with prior written approval of all shareholders, Lanon Development shall not take, permit to occur, approve, authorise or agree to do any of the following (the “**Reserved Matter**”):
- (a) allot or issue, or agree to allot and issue, shares which are not in proportion to the shareholdings of the shareholders;
  - (b) create, or agree to create, any encumbrances of whatsoever nature over any shares;
  - (c) register any disposal or transfer of any shares held by the shareholders, or otherwise allow such disposal or transfer to be registered, on the register of members of Lanon Development;
  - (d) change its articles of association or other constitutional documents;
  - (e) issue or agree to issue or grant any option over or right to acquire any additional shares or purchase or redeem any shares;
  - (f) make any amendment or change of the rights, preferences, privileges, powers, limitations or restrictions of or concerning, or the limitations or restrictions provided for the benefit of any shares of Lanon Development, or make any amendment, variation, modification, supplement to or waiver under the articles of association including any variation of share capital, which would materially and adversely affect the rights, privileges and preferences of any shareholder;
  - (g) merge, reclassify, combine, split, consolidate, subdivide increase, reduce, purchase, repurchase, redeem or convert any of Lanon Development’s share capital;
  - (h) pass any resolution the result of which would be its winding up, liquidation or receivership, or make any composition or arrangement with creditors;
  - (i) allow or consent to any merger, amalgamation, scheme of arrangement or consolidation of Lanon Development;



- (j) providing any guarantee or creating any encumbrance to secure the obligations of any other person;
- (k) provide or make any loan, cash advance or financial assistance to any shareholders, directors, officers and their respective affiliates;
- (l) not create, or agree to create or amend, an encumbrance of whatsoever nature over or in respect of any assets, undertakings or property, or redeem, or agree to redeem, an existing encumbrance of whatsoever nature over any assets, undertakings or property of Lanon Development;
- (m) incur additional indebtedness by Lanon Development which would result in the gearing level of Lanon Development exceeding 60% and any associated creation of encumbrances over the assets of Lanon Development;
- (n) carry on any business other than the Business or otherwise change the nature of Lanon Development's business;
- (o) make any recommendation or determination as to further working capital, or declare, distribute or pay any dividend in cash or specie;
- (p) acquire or dispose (whether in a single transaction or series of transactions) of any material asset(s) or any shares in any company;
- (q) acquire or dispose any freehold or leasehold property or any interest therein, except for leasing properties in Hong Kong with terms equal to or less than three (3) years and with annual rent less than HK\$3,000,000 in Lanon Development's ordinary and usual course of Business;
- (r) institute or settle any legal or arbitration proceedings other than debt collection in the ordinary course of business, which involves or might involve an amount (including related costs) of more than HK\$500,000;
- (s) appoint any managing director (or any personnel performing similar role, duty and responsibility as a managing director) of Lanon Development;

- (t) make or allow any payments of pensions, gratuities, severance pay, long service payment or discretionary bonuses to any directors;
- (u) declare dividend or distribution of any amount or any kind to any shareholders;
- (v) terminate, amend, supplement or otherwise vary the Shareholders' Agreement; and
- (w) enter into any agreement, commitment or arrangement in respect of any of the above.

Restrictive Covenants : Each shareholder (other than Caulfield Global) undertakes and covenants that, it will not, and shall procure its affiliates, not to:

- (a) subject to the procedure set out in "Business Opportunities" below, either on its/his/her own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except Lanon Development) to conduct any business which, directly or indirectly, competes or may compete with (i) the business of Lanon Development or any of its subsidiaries, including the provision of the Business and any related services and (ii) the business of the Group (collectively, the "**Restricted Business**");
- (b) do or say anything which is likely or intended to damage the goodwill or reputation of Lanon Development or of any business carried on by Lanon Development;
- (c) except as otherwise expressly permitted by the Shareholders' Agreement, disclose to any person, or use for any purpose whatsoever, any information which is secret or confidential to the business or affairs of Lanon Development; or
- (d) in respect to any person who is a director, or a senior or key employee of Lanon Development as at and from the date hereof, (i) induce or attempt to induce such person to leave the employment of Lanon Development; or (ii) to employ or attempt to employ such person.

Business Opportunities : Each shareholder (other than Caulfield Global) undertakes and covenants to Caulfield Global that, for as long as Caulfield Global remains a shareholder, if any shareholder (other than Caulfield Global), Lanon Development and/or its affiliates is offered or becomes aware of any business opportunity to, directly or indirectly, participate, engage in or own a Restricted Business or participate in any tenders relating to the Restricted Business (the “**New Business Opportunity**”):

- (a) it/he/she shall promptly notify Caulfield Global (and Lanon Development, in the case of any shareholder other than Caulfield Global) of such New Business Opportunity in writing and refer the same to the Group (through Caulfield Global) (and Lanon Development, in the case of any shareholder other than Caulfield Global) for consideration, and shall provide the relevant information to Caulfield Global (and Lanon Development, in the case of any shareholder other than Caulfield Global) in order to enable it to make an informed assessment of such opportunity; and
- (b) it/he/she shall not, and shall procure that its/his/her affiliates shall not, invest or participate in any New Business Opportunity, unless such New Business Opportunity shall have been rejected by the Group (through Caulfield Global) (and Lanon Development, in the case of any shareholder other than Caulfield Global) and the principal terms on which such shareholder and/or its affiliates shall invest or participate in such New Business Opportunity are no more favourable than those made available to Caulfield Global (and Lanon Development, in the case of any shareholder other than Caulfield Global).

The relevant shareholder (except Caulfield Global) and/or its affiliates may only engage in the New Business Opportunity if such New Business Opportunity is rejected by both the Group (through Caulfield Global) and Lanon Development; whilst Lanon Development and/or its affiliates may only engage in the New Business Opportunity if such New Business Opportunity is rejected by the Group (through Caulfield Global).

Each of the shareholders (except Caulfield Global) and Lanon Development also undertakes and covenants to Caulfield Global that, for as long as Caulfield Global remains a shareholder, each of shareholders (except Caulfield Global), Lanon Development and/or its affiliates shall not compete either on its/his/her own or in conjunction with any body

corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, to participate in any tender relating to building construction or RMAA works (including but not limited to a New Business Opportunity), which any member of the Group has participated in unless such tender has been rejected by Caulfield Global pursuant to the above.

Transfer of shares : No transfer, sell, mortgage, charge, encumber or dispose of any shares of Lanon Development shall be made by either shareholder without the prior written approval of all shareholders.

In the event that any shareholder proposed to directly or indirectly transfer any shares to any third party pursuant to a bona fide offer received, the other shareholder shall have a right of first refusal to such shares.

Compliance with Listing Rules : If, in performance of any obligations and/or rights under the Shareholders' Agreement and any transactions contemplated hereunder, any of Caulfield Global and the Company is required to comply with the applicable requirements under the Listing Rules, and/or complete, obtain and fulfil any necessary approvals, notices, clearances of any relevant regulatory authorities or other relevant third parties (the "**Conditions**"), then the performance of such obligations and/or rights shall not become effective or binding upon Caulfield Global unless and until all such Conditions are complied with, fulfilled or otherwise waived.

## **INFORMATION OF CAULFIELD GLOBAL**

Caulfield Global is a company established in the BVI with limited liability. It is an indirect wholly-owned subsidiary of the Company and does not engage in any business as at the date of this announcement. Upon Completion, Caulfield Global will become a 50% shareholder of Lanon Development and passively engage in investment holding.

## **INFORMATION OF LANON DEVELOPMENT**

Lanon Development is a company incorporated in Hong Kong in November 1986 with limited liability. It is principally engaged in civil engineering works, building construction and RMAA works in Hong Kong.

As at the date of this announcement, the entire issued shares of Lanon Development is held by Lanon Holdings, which in turn is ultimately wholly and beneficially owned by Mr. WY NGAI (i.e. the Personal Guarantor).

Based on the information provided by Mr. WY NGAI, Mr. WY NGAI, through Lanon Holdings, acquired 100% interest in the issued share capital of Lanon Development from two Independent Third Parties in 2010 at a consideration of approximately HK\$67.5 million.

### **Financial information**

Set out below is a summary of the audited financial information of Lanon Development for each of the years ended 31 December 2020 and 2021:

	<b>For the year ended 31 December</b>	
	<b>2020</b>	<b>2021</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	(audited)	(unaudited)
Revenue	179,632	168,981
Profit/(loss) for the year before taxation	(13,199)	6,862
Profit/(loss) for the year	<u>(10,749)</u>	<u>6,862</u>

Based on the management accounts of Lanon Development prepared in accordance with the generally accepted accounting principles in Hong Kong as provided by Lanon Holdings, as at 31 December 2021, the unaudited net asset value of Lanon Development amounted to approximately HK\$125 million. This amount has not been adjusted to reflect the market value of the items of property, plant and machinery held by Lanon Development nor the value of the licences and qualifications possessed by Lanon Development.

Following Completion, Lanon Development will be held as to 50% by each of Caulfield Global and Lanon Holdings. Accordingly, Lanon Development will not be a subsidiary of the Company and its assets, liabilities and financial performance will not be consolidated into the consolidated financial statements of the Company.

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

The Group is principally engaged in contract works business as a main contractor or sub-contractor, primarily in respect of building construction and RMAA works.

For the year ended 31 March 2021, the Group recorded revenue of approximately HK\$3.71 billion, representing a notable increase in revenue when compared that of approximately HK\$1.55 billion for the year ended 31 March 2020 and HK\$2.39 billion for the year ended 31 March 2019, respectively.

In consideration of anticipated growth in public works and increased housing supply in Hong Kong thanks to the long-term development plan of the government of Hong Kong's infrastructure and housing projects and the signs of recovery shown by the construction industry in Hong Kong after local business activities have adapted to the challenges brought about by the COVID-19 pandemic, the Group believes that it is now a good time for the Company to expand and diversify its capabilities as a main contractor or sub-contractor of civil engineering works.

As at the date of this announcement, Lanon Development has been approved or registered for carrying out building, civil engineering or specialist works under a number of lists of approved or registered contractors in Hong Kong. The following table illustrates the list of major licences and qualifications of the Group and Lanon Development in Hong Kong:

<b>Authorities</b>	<b>Licences or qualifications</b>	<b>The Group</b>	<b>Lanon Development</b>
Works Branch, Development Bureau	Buildings Category Group C (Confirmed)	√	√
	Port Works Category Group C (Confirmed)	-	√
	Roads & Drainage Category Group C (Confirmed)	-	√
	Site Formation Category Group C (Confirmed)	-	√
	Waterworks Category Group C (Confirmed)	-	√
	Plumbing Installation Category Group 2 (Probation)	√	-
	Repair and Restoration of Historic Buildings - For works related to “Western Style Buildings” only	√	-
	Turn-key Interior Design and Fitting-out Works Category Group I	√	-
Buildings Department	General Building Contractors	√	√
	Site Formation Works	√	-
	Foundation Works	√	-
Hong Kong Housing Authority	List of Building Contractors Maintenance Works Category Group M2 (Probationary)	√	√
	List of Building Contractors New Works Category Group NW2 (Probationary)	-	√
	List of Building Contractors New Works Category Group NW2 (Confirmed)	√	-
	Decoration Contractors	√	√
MTR Corporation Limited	Approved Contractors for Civil & Building Works	-	√
Housing Society	Building Works - List 2	√	-
Urban Renewal Authority	Repair / Maintenance Works - Upper Tier	√	-
Electrical and Mechanical Services Development	Registered Electrical Contractors (Electricity Ordinance)	√	-

√ Licences or qualifications possessed by the relevant company.

As illustrated above, certain construction related licences and qualifications possessed by Lanon Development as at the date of this announcement are not possessed by members of the Group. In particular, Lanon Development (but not members of the Group) is an approved Group C (Confirmed) contractor of the Works Branch of the Development Bureau of Hong Kong in four public work categories, being Port Works Category, Roads & Drainage Category, Site Formation Category and Waterworks Category, which allow Lanon Development to participate in tenders and take up contracts of any values (including those exceeding HK\$400 million which would otherwise not being available to approved Group A and Group B contractors).

Having considered that:

- (i) the expertise and capabilities of Lanon Development and the synergies created which allows the Group to further step up and expand the services provided and works allowed to be undertaken by the Group;
- (ii) the benefits and synergies created by the complementary capabilities and services provided by the Group and Lanon Development. In particular, the ability to utilise Lanon Development's licences and qualifications would allow the Group to expand its reach to potential customers and create cross-referring opportunities with Lanon Development;
- (iii) the potential time and costs that the Group may be required to obtain those licence and qualifications currently possessed by Lanon Development (but not by members of the Group) but are required for expansion to certain civil engineering works of certain potential customers; and
- (iv) upon Completion, the Group would acquire 50% of the entire issued shares of Lanon Development, would allow the Group to participate in the business operation of Lanon Development but at the same time ascertain the business and financial performance of Lanon Development before it considers any further acquisitions or commitments relating to Lanon Development,

the Directors (excluding the independent non-executive Directors whose views will be contained in the circular to be issued by the Company after considering the advice from the Independent Financial Adviser, and excluding Mr. CH NGAI who abstained from voting due to his family relationship with Mr. WY NGAI and Mr. YAU Kwok Fai who abstained from voting due to his family relationship with Mr. CH NGAI and Mr. WY NGAI), are of the view that the Acquisition is in the interests of the Group, and the terms of the Agreement (including but not limited to the Consideration and the entering into of the Shareholders' Agreement at Completion) are on normal commercial terms, which are fair and reasonable and in the interests of the Shareholders as a whole.

## THE FRAMEWORK SUBCONTRACTING AGREEMENT

The Board is pleased to announce that on 18 February 2022 (after trading hours), Lanon Development (as the contractor) and the Company (for and on behalf of itself and any of its subsidiaries) (as the subcontractor) entered into the Framework Subcontracting Agreement, pursuant to which Lanon Development may engage the members of the Group as subcontractor from time to time in respect of the provision of contracting services in relation to civil engineering works, building construction and RMAA works in Hong Kong.

Summarised below are the principal terms of the Framework Subcontracting Agreement:

**Date:** 18 February 2022

**Parties:** Lanon Development (as the contractor); and  
the Company (for and on behalf of itself and any of its subsidiaries) (as the subcontractor).

Under the Framework Subcontracting Agreement, Lanon Development may invite the members of the Group for quotations or tender for the provision of the relevant subcontracting services. Lanon Development will generally select the most suitable subcontractor(s) from the approved list of subcontractors based on their relevant skill sets, qualifications and experience, subject to their availability and fee quotations or tender documents received. Lanon Development is not bound to engage any member of the Group for quotations or tender submitted by it and may engage other subcontractors.

In the event that Lanon Development accepts the quotation or tender provided by any member of the Group, Lanon Development shall acknowledge its acceptance of the quotation by a written confirmation. The relevant member of the Group shall carry out the works and Lanon Development shall pay the subcontracting fees in accordance with the relevant quotations or tender accepted (the “**Sub-contracting Accepted Projects**”).

### **Term**

Subject to the fulfilment of the condition precedent set out below, the term of the Framework Subcontracting Agreement shall commence from the date on which the Framework Subcontracting Agreement becomes unconditional to 31 March 2025, unless terminated earlier in accordance with the terms of the Framework Subcontracting Agreement.

### **Condition**

The Framework Subcontracting Agreement and the obligations of the parties thereunder shall not become effective or binding upon the parties unless and until the passing of all resolutions by the independent Shareholders (who are entitled to vote and are not required to abstain from voting under the Listing Rules) at the EGM to approve the entering into the Framework Subcontracting Agreement by the Company (for and on its own behalf and any of its subsidiaries) and the performance of the transactions contemplated thereunder in accordance with the relevant provisions in the Listing Rules, the articles of the association of the Company and the applicable laws and regulations in Hong Kong and other applicable jurisdictions.



The long stop date for fulfilling the above condition shall be 31 May 2022 (or such later date as the parties of the Framework Subcontracting Agreement may agree). If the above condition is not fulfilled on or before such long stop date, the Framework Subcontracting Agreement shall be of no effect without the necessity for either party giving any notice to that effect and there shall be no claim under or in connection with the Framework Subcontracting Agreement by either party against the other.

### **Pricing Policy**

Under the Framework Subcontracting Agreement, the subcontracting fees payable by Lanon Development to the Group shall be arrived at after arms' length negotiations on normal commercial terms and shall be determined, on a project-by-project basis, by reference to, among other things, the following factors:

- (a) the prevailing market prices of materials and relevant costs of subcontracting services at the time of tendering for the Subcontracting Accepted Projects based on the competitive quotations from suppliers and/or subcontractors of Lanon Development;
- (b) the scale, complexity and specifications of the projects, nature and amount of works to be performed, the capacity of the Group, the estimated time required to complete the works and other technical project requirements under the Subcontracting Accepted Projects;
- (c) the historical fees received from independent third party subcontractors for similar scope of services performed for similar projects;
- (d) the fee level in the market and competitive conditions at the contract negotiation stage;
- (e) the terms (including payment terms and terms of service) previously entered into with independent third party subcontractors for similar scope of services performed for similar projects; and
- (f) the specification and level of risks involved in each Subcontracting Accepted Projects.

### **Annual Caps**

The Directors anticipate that the maximum amount of subcontracting fees payable by Lanon Development to the Group under the Framework Subcontracting Agreement for the years ending 31 March 2023, 31 March 2024 and 31 March 2025 shall not exceed the proposed caps of HK\$280 million, HK\$600 million and HK\$690 million, respectively. In determining the above proposed annual caps, the Directors have considered:

- (a) the historical project size of the Group in providing relevant services for each of the past three (3) financial years;
- (b) the estimated amount of final subcontracting fees to be received by the Group under the Subcontracting Accepted Projects for the years ending 31 March 2023, 31 March 2024 and 31 March 2025, taking into account the existing subcontracting arrangements entered into by the members of the Group with other third parties;

- (c) the estimated demand required from Lanon Development for sub-contracting services to be provided by the Group for the year ending 31 March 2023, 31 March 2024 and 31 March 2025, taking into account the existing contacts, potential contracts and submitted tenders of Lanon Development; and
- (d) a buffer on the estimated demand for subcontracting services to be provided by the Group.

## **THE FRAMEWORK CONTRACTING AGREEMENT**

The Board is pleased to announce that on 18 February 2022 (after trading hours), the Company (for and on behalf of itself and any of its subsidiaries) (as the contractor) and Lanon Development (as the subcontractor) entered into the Framework Contracting Agreement, pursuant to which the Group may engage Lanon Development as subcontractor from time to time in respect of the provision of contracting services in relation to civil engineering works, building construction and RMAA works in Hong Kong.

Summarised below are the principal terms of the Framework Contracting Agreement:

**Date:** 18 February 2022

**Parties:** the Company (for and on behalf of itself and any of its subsidiaries) (as the contractor); and

Lanon Development (as the subcontractor).

Under the Framework Subcontracting Agreement, members of the Group may invite Lanon Development for quotations or tenders for the provision of the relevant sub-contracting services. The Group will generally select the most suitable subcontractor(s) from the approved list of subcontractors based on their relevant skill sets, qualifications and experience, subject to their availability and fee quotations or tender documents received. The Group and its members are not bound to engage Lanon Development for quotations or tenders submitted by it and may engage other subcontractors.

In the event that any member of the Group accepts the quotation or tender provided by Lanon Development, such member shall acknowledge its acceptance of Lanon Development's quotation or tender by a written confirmation. Lanon Development shall carry out the works and the Group shall pay the subcontracting fees to Lanon Development in accordance with the relevant quotations or tenders accepted (the "**Contracting Accepted Projects**").

### **Term**

Subject to the fulfilment of the condition precedent set out below, the term of the Framework Contracting Agreement shall commence from the date on which the Framework Contracting Agreement becomes unconditional to 31 March 2025, unless terminated earlier in accordance with the terms of the Framework Contracting Agreement.

## **Condition**

The Framework Contracting Agreement and the obligations of the parties thereunder shall not become effective or binding upon the parties unless and until the passing of all resolutions by the independent Shareholders (who are entitled to vote and not required to abstain from voting under the Listing Rules) at the EGM to approve the entering into the Framework Contracting Agreement by the Company (for and on its own behalf and any of its subsidiaries) and the performance of the transactions contemplated thereunder in accordance with the relevant provisions in the Listing Rules, the articles of the association of the Company and the applicable laws and regulations in Hong Kong and other applicable jurisdictions.

The long stop date for fulfilling the above condition shall be 31 May 2022 (or such later date as the parties of the Framework Contracting Agreement may agree). If the above condition is not fulfilled on or before such long stop date, the Framework Contracting Agreement shall be of no effect without the necessity for either party giving any notice to that effect and there shall be no claim under or in connection with the Framework Contracting Agreement by either party against the other.

## **Pricing Policy**

Under the Framework Contracting Agreement, the subcontracting fees payable by the Group to Lanon Development shall be arrived at after arms' length negotiations on normal commercial terms and shall be determined, on a project-by-project basis, by reference to, among other things, the following factors:

- (a) the prevailing market prices of materials and relevant cost of subcontracting services at the time of tendering for the Contracting Accepted Projects based on the competitive quotations from suppliers and/or subcontractors of the Group;
- (b) the scale, complexity and specifications of the projects, nature and amount of works to be performed, the capacity of Lanon Development, the estimated time required to complete the works and other technical project requirements under the Contracting Accepted Projects;
- (c) the historical fees received from independent third party subcontractors for similar scope of services performed for similar projects;
- (d) the fee level in the market and competitive conditions at the contract negotiation stage;
- (e) the terms (including payment terms and terms of service) previously entered into with independent third party subcontractors for similar scope of services performed for similar projects; and
- (f) the specification and level of risks involved in each Contracting Accepted Projects.

## **Annual Caps**

The Directors anticipate that the maximum amount of subcontracting fees payable by the Group to Lanon Development under the Framework Contracting Agreement for the years ending 31 March 2023, 31 March 2024 and 31 March 2025 shall not exceed the proposed caps of HK\$280 million, HK\$600 million and HK\$690 million, respectively. In determining the above proposed annual caps, the Directors have considered:

- (a) the historical project size of the Group required for independent third party subcontractor in providing relevant services for each of the past three (3) financial years; and
- (b) the estimated amount of final subcontracting fees to be payable by the Group under the Contracting Accepted Projects for the years ending 31 March 2023, 31 March 2024 and 31 March 2025, taking into account the existing subcontracting arrangements entered into by members of the Group with other third parties;
- (c) the estimated demand required from the Group for subcontracting services to be provided by Lanon Development for the year ending 31 March 2023, 31 March 2024 and 31 March 2025, taking into account the existing contacts, potential contracts and submitted tenders of the Group; and
- (d) a buffer on the estimated demand for subcontracting services to be provided by Lanon Development.

## **REASONS AND BENEFITS OF THE ENTERING INTO OF THE FRAMEWORK AGREEMENTS**

As mentioned above, the Group is principally engaged in contract works business as a main contractor or sub-contractor primarily in respect of building construction and RMAA works, and the Group believes that it is now a good time for it to expand and diversify its capabilities as a main contractor or sub-contractor, particularly with the construction industry in Hong Kong showing signs of recovery amid the COVID-19 pandemic.

With the Group and Lanon Development being approved or registered for carrying out building, civil engineering or specialist works under different lists of approved or registered contractors in Hong Kong as illustrated above, it would be beneficial to the Group to further broaden its customer-base which could be reached by cooperating with Lanon Development, either as the subcontractor under the Framework Subcontracting Agreement or as the contractor under the Framework Contracting Agreement.

Having considered above, the Directors (excluding the independent non-executive Directors whose views will be contained in the circular to be issued by the Company after considering the advice from the Independent Financial Adviser, and excluding Mr. CH NGAI who abstained from voting due to his family relationship with Mr. WY NGAI and Mr. YAU Kwok Fai who abstained from voting due to his family relationship with Mr. CH NGAI and Mr. WY NGAI), are of the view that the entering into of each of the Framework Subcontracting Agreement and the Framework Contracting Agreement is in the interests of the Group, and the terms of each of the Framework Subcontracting Agreement (including but not limited to the proposed annual caps in respect of subcontracting fees payable by Lanon Development to the Group) and the Framework Contracting Agreement (including but not limited to the proposed annual caps in respect of subcontracting fees payable by the Group to Lanon Development) are on normal commercial terms, which are fair and reasonable and in the interests of the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

To ensure that (a) the subcontracting fees charged by the Group pursuant to the Framework Subcontracting Agreement and (b) the subcontracting fees charged by Lanon Development pursuant to the Framework Contracting Agreement will be fair and reasonable and on normal commercial terms, the procurement department of the Group which regularly review quotations and tenders from independent third parties will determine the prevailing service fees being charged by independent third parties under ordinary course of business for providing the required services or similar services in the Hong Kong. Furthermore, in addition to the Group's compliance with the requirements on annual review by external auditors and independent non-executive Directors under the Listing Rules in respect of the Group's continuing connected transactions, to ensure that the transactions contemplated under each of the Framework Agreements do not exceed the respective annual caps, the procurement department of the Group provide actual service fees incurred and latest estimation on the yearly transaction amounts for the continuing connected transactions at least quarterly. In the event that any of (a) the subcontracting fees charged or to be charged by the Group pursuant to the Framework Subcontracting Agreement and (b) the subcontracting fees charged or to be charged by Lanon Development pursuant to the Framework Contracting Agreement is expected to reach the respective annual cap, the procurement department will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that an amendment to such annual cap is required, report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance with the requirements under the Listing Rules.

The Company also arranges compliance trainings for the Directors, supervisors, senior management and staff from the relevant departments of the Company and its subsidiaries from time to time, primarily focusing on the rules relating to connected transactions and continuing connected transactions under Chapter 14A of the Listing Rules.

## **LISTING RULES IMPLICATION**

### **The Acquisition**

#### ***Disclosable transaction***

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### ***Connected transaction***

As at the date of this announcement, Lanon Holdings is indirectly and wholly-owned by Mr. WY NGAI. Mr. WY NGAI is the son of Mr. CH NGAI, the chairman, an executive Director and a controlling Shareholder of the Company. Accordingly, Lanon Holdings is regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

As Lanon Holdings is beneficially owned and ultimately controlled by Mr. WY Ngai, the entering into of the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% and the total consideration is more than HK\$10 million, the entering into of the Agreement and the transactions contemplated thereunder, including but not limited to the Acquisition, are therefore subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **The Framework Subcontracting Agreement**

#### ***Continuing Connected Transaction***

As at the date of this announcement, the entire issued shares of Lanon Development is held by Lanon Holdings, which in turn is ultimately wholly and beneficially owned by the Mr. WY NGAI; whilst Lanon Development shall be owned as to 50% by Lanon Holdings and 50% by Caulfield Global upon completion of the Acquisition.

As mentioned above, (a) Mr. WY NGAI is the son of Mr. CH NGAI, the chairman, an executive Director and a controlling shareholder of the Company; and (b) Caulfield Global is an indirectly and wholly-owned subsidiary of the Company. Accordingly, Lanon Development is regarded as a connected person of the Company prior to and upon Completion of the Acquisition under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the largest proposed annual caps in respect of the subcontracting fees payable from Lanon Development to the Group under the Framework Subcontracting Agreement are more than 5% and more than HK\$10 million, the entering into of the Framework Subcontracting Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and are therefore subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **The Framework Contracting Agreement**

### ***Continuing Connected Transaction***

As mentioned above, Lanon Development is regarded as a connected person of the Company prior to and upon Completion of the Acquisition under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the largest proposed annual caps in respect of the subcontracting fees payable from the Group to Lanon Development under the Framework Contracting Agreement are more than 5% and more than HK\$10 million, the entering into of the Framework Contracting Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules and are therefore subject to the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the independent Shareholders on the terms of the Agreement (including the entering into of the Shareholders' Agreement at Completion), the Framework Subcontracting Agreement and the Framework Contracting Agreement and the transactions contemplated thereunder. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Agreement (including the entering into of the Shareholders' Agreement at Completion) and the Framework Agreements. Ample Capital has been appointed as the Independent Financial Adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the independent Shareholders in respect of the Agreement (including the entering into of the Shareholders' Agreement at Completion), the Framework Subcontracting Agreement, the Framework Contracting Agreement and the transactions contemplated thereunder and as to voting.

The EGM will be convened and held for the independent Shareholders to consider and, if thought fit, approve, the Agreement (including the entering into of the Shareholders' Agreement at Completion), the Framework Subcontracting Agreement and the Framework Contracting Agreement and the transactions contemplated thereunder including, but not limited to, the Acquisition.

A circular containing, among other things, (i) further details of the Acquisition (including the entering into of the Shareholders' Agreement at Completion), the Framework Subcontracting Agreement and the Framework Contracting Agreement; (ii) recommendation of the Independent Board Committee; (iii) letter of advice from the Independent Financial Adviser; (iv) other information as required to be disclosed under the Listing Rules; and (v) a notice of the EGM and a form of proxy is expected to be despatched by the Company to the Shareholders on or before 11 March 2022.

**Completion is subject to fulfilment of the relevant conditions, and the Acquisition and the entering into of each of the Framework Subcontracting Agreement and the Framework Contracting Agreement may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“ <b>Acquisition</b> ”	the acquisition of Sale Shares under the Agreement
“ <b>Agreement</b> ”	the agreement entered into among Lanon Holdings, Caulfield Global and Mr. WY NGAI on 18 February 2022 in relation to sale and purchase of the Sale Shares in Lanon Development
“ <b>Board</b> ”	the board of Directors of the Company
“ <b>Business Day</b> ”	any day (excluding a Saturday or Sunday) on which commercial banks are open for business in Hong Kong
“ <b>BVI</b> ”	the British Virgin Islands
“ <b>Caulfield Global</b> ”	Caulfield Global Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company as at the date hereof and the buyer of the Agreement
“ <b>Company</b> ”	Able Engineering Holdings Limited (安堡工程控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of The Stock Exchange (stock code: 1627)
“ <b>connected person(s)</b> ”	has the meaning ascribed to it under the Listing Rules
“ <b>Completion</b> ”	the completion of the Acquisition
“ <b>Consideration</b> ”	the consideration for the Acquisition
“ <b>Director(s)</b> ”	the director(s) of the Company
“ <b>EGM</b> ”	the extraordinary general meeting of the Company to be held and convened to consider and, if thought fit, approve the Agreement (including the entering into of the Shareholders’ Agreement at Completion), the Framework Subcontracting Agreement and the Framework Contracting Agreement and the transactions contemplated thereunder including, but not limited to, the Acquisition
“ <b>Framework Agreements</b> ”	the Framework Contracting Agreement and the Framework Subcontracting Agreement



<b>“Framework Contracting Agreement”</b>	the framework contracting agreement dated 18 February 2022 entered into between the Company (for and on its own behalf and any of its subsidiaries)(as the contractor) and Lanon Development (as the subcontractor) in relation to the provision of subcontracting services by Lanon Development to the Group
<b>“Framework Subcontracting Agreement”</b>	the framework subcontracting agreement dated 18 February 2022 entered into between Lanon Development (as the contractor) and the Company (for and on its own behalf and any of its subsidiaries)(as the subcontractor) in relation to the provision of subcontracting services by the Group to Lanon Development
<b>“Group”</b>	the Company and its subsidiaries from time to time
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Board Committee”</b>	an independent committee of the Board established, which comprises all the independent non-executive Directors to advise the independent Shareholders on the fairness and reasonableness of terms of (a) the Agreement and (b) the Framework Agreements, and to advise the independent Shareholders how to vote at the EGM
<b>“Independent Financial Advisor” or “Ample Capital”</b>	Ample Capital Limited (豐盛融資有限公司), a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and independent Shareholders in respect of the Agreement (including the entering into of the Shareholders’ Agreement at Completion), the Framework Subcontracting Agreement and the Framework Contracting Agreements and the transactions contemplated thereunder
<b>“Independent Third Party(ies)”</b>	a third party independent of and not connected with the Company and its subsidiaries and its connected persons
<b>“Lanon Development”</b>	Lanon Development Limited (亮雅發展有限公司), a company incorporated in Hong Kong with limited liability, owned as to 100% by Lanon Holdings as at the date hereof

<b>“Lanon Holdings”</b>	Lanon Holdings Limited, a company incorporated in the BVI with limited liability, which is ultimately beneficially owned as to 100% by the Personal Guarantor as at the date hereof
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Mr. CH NGAI”</b>	Mr. NGAI Chun Hung, a controlling shareholder, the chairman and an executive Director of the Company
<b>“Mr. WY NGAI” or “Personal Guarantor”</b>	Mr. NGAI Wing Yin, aged over 18, (a) the son of Mr. CH NGAI, (b) the ultimate beneficial owner of Lanon Holdings and Lanon Development as at the date hereof, and (c) the Personal Guarantor to the Agreement
<b>“RMAA”</b>	construction related works regarding repair, maintenance, alterations and/or additions
<b>“Sale Shares”</b>	11,100,000 ordinary shares, representing 50% of the entire issued share capital of Lanon Development as at the date of hereof
<b>“SFO”</b>	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>“Share(s)”</b>	ordinary share(s) in the share capital of the Company
<b>“Shareholder(s)”</b>	the holder(s) of the Shares
<b>“Shareholders’ Agreement”</b>	the shareholders’ agreement to be entered into by Lanon Holdings, Caulfield Global and Lanon Development at Completion pursuant to the Agreement
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“%”</b>	per cent.

By Order of the Board  
**ABLE ENGINEERING HOLDINGS LIMITED**  
**CHEUNG Ho Yuen**  
*Executive Director and Chief Executive Officer*

Hong Kong, 18 February 2022

As at the date of this announcement, the Board comprises the following Directors:

*Executive Directors*

Mr. NGAI Chun Hung  
Mr. CHEUNG Ho Yuen  
Mr. IP Yik Nam  
Mr. LAU Chi Fai, Daniel  
Mr. YAU Kwok Fai

*Independent non-executive Directors*

Prof. KO Jan Ming  
Dr. LEE Man Piu, Albert  
Dr. LI Yok Sheung  
Ms. MAK Suk Hing  
Mr. MONG Chan