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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**

The Board is pleased to announce that on 20 December 2023, the Group, through the Purchaser, 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 JPY180.0 million (equivalent to approximately HK\$9.8 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 20 December 2023, the Purchaser 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 JPY180.0 million (equivalent to approximately HK\$9.8 million).

**THE SALE AND PURCHASE AGREEMENT**

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

Date: 20 December 2023

Parties: The Vendor

The Purchaser

Subject of the Acquisition: The Property

**1. The Vendor**

The Vendor is a company incorporated in Japan and is principally engaged in “kaigo” or nursing care and support services business (“**Kaigo Business**”). The Vendor is the owner and the current Kaigo Business operator of the Property where it provides such services to the tenants of the Property.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

## **2. The Purchaser**

The Purchaser is a company incorporated in Japan with limited liability on 16 March 2007. It is the TK Operator of a TK Arrangement and Smart Tact, which is the TK Investor and a 90%-owned subsidiary of the Company, is beneficially interested in all of the economic benefits of the Purchaser's property interests. The remaining 10% equity interest of Smart Tact is owned by Mr. Shih. 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 a three-storey building with a basement floor comprising 32 residential units and 24 parking units constructed on freehold land, and has a total floor area of 1,996.1 square metres. It is located at 3-37, Kitago 6-Jo, 4-Chome, Shiroishi-ku, Sapporo City, Japan and is about 2-minute walk from a nearby bus stop and 20-minute walk from the Shiroishi subway station. The Property is used as an accommodation for residents who require nursing care and support services and is fully occupied as at the date of this announcement.

## **4. The Consideration**

The Consideration of JPY180.0 million (equivalent to approximately HK\$9.8 million) was determined after arm's length negotiations between the Purchaser and the Vendor. When determining the Consideration, the management of the Company has taken into account (i) the prime location of the Property for operators of Kaigo Business; (ii) the estimated stable annual rental income and operating costs of the Property; (iii) the expected net rental yield of the Property of approximately 6.4%, which is comparable if not higher than the net rental yields of the Group's other properties of similar nature in Sapporo City, which range from 4.8% to 6.0% based on their latest valuations as at 31 March 2023. The management of the Company considers the Consideration to be a fair representation of the value of the Property.

## **5. Payment method**

The Purchaser had paid a sum of JPY18.0 million (equivalent to approximately HK\$1.0 million) (i.e. the Deposit) to the Vendor on the date of the Sale and Purchase Agreement.

The remaining balance of JPY162.0 million (equivalent to approximately HK\$8.8 million) will be settled in full by the Purchaser to the Vendor on Completion.

It is expected that the Acquisition will be funded by the Group's existing financial resources and bank borrowings, as well as contribution from Mr. Shih according to his 10% effective equity interest in the Purchaser.

## **6. Completion**

Completion is expected to take place on or before 29 March 2024.

In the event where the Vendor terminates the Sale and Purchase Agreement before Completion, the Vendor is liable to return the Deposit and additionally 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 Group is principally engaged in property investments and provision of corporate finance advisory services. Japan has been the main geographical location where the Group has been making property investments and 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 overall aging pattern in the demography of Japan supports an expected increasing demand for homes with or with easy access to nursing care and support services, particularly for the aged, in city areas. The Acquisition, upon completion, will supplement the Group's portfolio of 26 investment properties in Japan, eight of which are partially or substantially occupied by residents who require access to nursing care or support services. All of these are located in Sapporo City.

The Group has identified an operator to take over the operations of the Kaigo Business of the Property upon Completion. The proposed operator, an Independent Third Party, is an experienced Kaigo Business operator and has been the operator of one of the Group's existing aged-home properties since such property was acquired in early 2000s. The Group has established a good business relationship with this proposed operator.

The Property will add on to the Group's existing portfolio and is expected to contribute to a steady gross rental income of approximately JPY17.8 million (equivalent to approximately HK\$1.0 million) per year. The Acquisition will also strengthen the Group's portfolio of properties used for Kaigo Business which provides stable cash flow. Going forward, subject to availability of financial resources, the Group will continue to look out for similar opportunities.

The 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 JPY180,000,000
“Deposit”	the deposit of a sum of JPY18.0 million paid by the Purchaser to the Vendor on the date of entering into of the Sale and Purchase Agreement, 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
“Mr. Shih”	Mr. Henry Shih, a director and a shareholder of 10% direct equity interest in Smart Tact
“Property”	the subject asset to be acquired by the Purchaser under the Sale and Purchase Agreement

“Purchaser” or “GK Bohol”	Godo Kaisha Bohol, the purchaser, a company incorporated in Japan with limited liability on 16 March 2007 and the TK Operator of a TK Arrangement of which Smart Tact is the TK Investor. The Company is indirectly beneficially interested in 90% of the economic benefits of its property interests
“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 December 2023 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
“Smart Tact”	Smart Tact Investment Limited, a company incorporated in British Virgin Islands with limited liability on 17 April 2013, a non wholly-owned subsidiary of the Company, which is directly owned as to 90% by Starich and 10% by Mr. Shih, and the TK Investor of a TK Arrangement with GK Bohol as the TK Operator
“Starich”	Starich Resources Limited, a company incorporated in British Virgin Islands with limited liability on 28 February 2000 and an indirect wholly-owned subsidiary of the Company
“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”	Medical Ray Co., Limited, of which Yoshinobu Suda, Shuko Nakayama, Ikuro Nakayama, Mamiko Suda and Shin Nakayama are the directors
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JPY”	Japanese yen, the lawful currency of Japan
“%”	per cent.

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

Hong Kong, 20 December 2023

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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\$0.0542 (on 19 December 2023). 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.*

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