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## **FAIRWOOD HOLDINGS LIMITED**

**大快活集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 52)**



### **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY**

#### **THE ACQUISITION**

The Board is pleased to announce that, on 29 June 2024, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell, the Property at the consideration of HK\$62,880,000.

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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#### **THE PRELIMINARY AGREEMENT**

**Date:**

29 June 2024

**Parties:**

Purchaser : Fairwood Fast Food Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company;  
and

Vendor : Ma Ah Muk Group Limited, a company incorporated in Hong Kong with limited liability.

**Property to be acquired:**

The Property to be acquired is the Shop Nos. 757, 758, 759, 760, 761, 762, 763 and 764 on the Ground Floor, Rhythm Garden, No. 242 Choi Hung Road, Kowloon, Hong Kong. The Property is a non-residential property with a total gross floor area of approximately 3,588 square feet.

The Property is subject to an existing tenancy agreement with the Purchaser as tenant for a period of 2 years from 4 March 2023 to 3 March 2025 for a monthly rent of HK\$223,100 (exclusive of rates, government rent and management fee).

**Consideration:**

The Consideration for the Acquisition is HK\$62,880,000 which shall be paid by the Purchaser to the Vendor as follows:

- (a) an initial deposit of HK\$3,100,000 has been paid upon signing of the Preliminary Agreement;
- (b) a further deposit of HK\$3,188,000 shall be paid on or before 12 July 2024; and
- (c) the remaining balance of the Consideration in the sum of HK\$56,592,000 shall be paid upon completion which is scheduled to take place on or before 28 August 2024.

**Formal Agreement:**

Pursuant to the terms of the Preliminary Agreement, the Vendor and the Purchaser shall enter into a formal agreement for the Acquisition on or before 12 July 2024.

**BASIS OF CONSIDERATION**

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to, among other things, the prevailing market prices of properties of similar nature available in the localities. The Consideration shall be funded by internal resources of the Group.

**REASONS FOR THE ACQUISITION**

The Purchaser has been operating a fast food restaurant at the Property since 2015. By virtue of the Acquisition, the Purchaser will have its own place of business and maintain its business operations at the Property which will not only enable the Purchaser to continue serving the customers that it has built up over the past nine years, but also maintain its competitive advantage by retaining its business network in this district.

The Directors are of the view that the terms of the Preliminary Agreement and the transactions contemplated are fair and reasonable and in normal commercial terms and in the interests of the

Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

The principal business activity of the Company is investment holding.

The principal business activities of the Purchaser are investment holding and operation of a chain of fast food restaurants in Hong Kong.

The Vendor is principally engaged in investment holding. According to the information available to the Company, the ultimate beneficial owners of the Vendor are Mr. MA Kiu Sang, Mr. MA Kiu Man, Vince and Mr. MA Kiu Mo, each owns, directly or indirectly, approximately as to 33.33% of the issued share capital of the Vendor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Vendor is principally engaged in investment holding and (ii) the Vendor and its ultimate beneficial owners are Independent Third Parties.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Preliminary Agreement;
“Board”	the board of Directors;
“Company”	Fairwood Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Consideration”	the consideration of HK\$62,880,000 payable by the Purchaser to the Vendor in relation to the Acquisition;
“Directors”	the directors of the Company;
“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(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Preliminary Agreement”	the provisional agreement for sale and purchase dated 29 June 2024 entered into among the Purchaser, the Vendor and the property agent in relation to the Acquisition;
“Property”	Shop Nos. 757, 758, 759, 760, 761, 762, 763 and 764 on the Ground Floor, Rhythm Garden, No. 242 Choi Hung Road, Kowloon, Hong Kong;
“Purchaser”	Fairwood Fast Food Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company;
“Shareholder(s)”	holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendor”	Ma Ah Muk Group Limited, a company incorporated in Hong Kong with limited liability.

By Order of the Board  
**Fairwood Holdings Limited**  
**Dennis Lo Hoi Yeung**  
*Executive Chairman*

Hong Kong, 1 July 2024

*As at the date of this announcement, the Directors of the Company are:*

*Executive Directors: Mr Dennis Lo Hoi Yeung (Executive Chairman), Mr Lo Fai Shing Francis (Chief Executive Officer) and Ms Peggy Lee; and*

*Independent Non-executive Directors: Mr Joseph Chan Kai Nin, Dr Peter Lau Kwok Kuen, Dr Peter Wan Kam To and Mr Yip Cheuk Tak.*

*Website: [www.fairwoodholdings.com.hk](http://www.fairwoodholdings.com.hk)*