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ACCEL GROUP HOLDINGS LIMITED

高陸集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1283)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION ACQUISITION OF A PROPERTY HOLDING COMPANY

Reference is made to the announcement issued by Accel Group Holdings Limited (the “**Company**”) dated 18 June 2022 (the “**Announcement**”). Terms used herein shall have the same meanings as defined in the Announcement. The Board wishes to take this opportunity to provide further information to the Shareholders and potential investors of the Company.

TARGET INTEREST

As disclosed in the Announcement, the Target Interest comprises the entire issued share capital of the Target Company and the rights to all sums owing by the Target Company to the Vendor (the “**Shareholder’s Loan**”) as at Completion. As at the date of the Provisional Sale and Purchase Agreement, the Shareholder’s Loan was in the amount of approximately HK\$38,500,000.

Under the Provisional Sale and Purchase Agreement, the Vendor undertakes to the Purchaser that from the date of the Provisional Sale and Purchase Agreement and up to the Completion Date, the Vendor shall procure the Target Company not to incur any indebtedness or borrowing. Since pursuant to the Provisional Sale and Purchase Agreement, all rights to the Shareholder’s Loan (irrespective of its amount) as at Completion shall be assigned to the Purchaser, any increase or decrease in the amount of the Shareholder’s Loan would not affect the amount of the Consideration and would not cause any adverse effect to the Purchaser’s interest. As such, the Company is of the view that the amount of Consideration needs not be adjusted for any change in the amount of the Shareholder’s Loan.

BASIS OF CONSIDERATION

The size of the Workshop is 7,433 square feet (“sq. ft.”) with sea view. Upon examination by the Directors, the Workshop is currently under a tenantable condition and the Company expects to incur approximately HK\$2,000,000 to modify the Workshop for its own use upon the termination of Tenancy Agreement A and Tenancy Agreement B.

The Consideration is determined with reference to the prevailing market price of the Properties, instead of the unaudited amount of net assets of the Target Company as at 31 March 2022. As explained above, the Parties have not taken into account the amount of the Shareholder’s Loan in determining the Consideration. According to the recent property transaction records available to the public and obtained by the Company:

- (i) the market price of a workshop in the TML Tower is about HK\$7,500 per sq. ft., meaning that the market price of a workshop of a similar size to the Workshop is about HK\$55,747,500;
- (ii) the market price of a car parking space in the TML Tower is about HK\$2,200,000; and
- (iii) the market price of a heavy goods vehicle parking space in the TML Tower is about HK\$6,000,000.

The Company is optimistic about the long-term prospects of property market in Hong Kong. Considering the above benchmark prices, the Board is of the view that the market price of the Properties as a whole is about HK\$63,947,500. The Board is therefore of the view that the Consideration of HK\$61,828,000 reflects the market price of the Properties and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

THE PROPERTIES AND THE EXISTING TENANCIES

As disclosed in the Announcement, the Properties comprise the Workshop, the Car Parking Space and the Heavy Goods Vehicle Parking Space. The Company wishes to clarify that according to the record on the Land Registry, 19th Floor at TML Tower is divided into two units, namely Workshop A and Workshop B. Therefore, the Workshop to be acquired by the Purchaser in fact occupies half of the floor area of 19th Floor at TML Tower.

As disclosed in the Announcement, the Properties are subject to four tenancy agreements which will all expire in or around mid-2023. Subject to the Completion having taken place, the Company intends to early terminate all the tenancy agreements by serving written notices on the existing tenants in accordance with the terms of the respective existing tenancy agreements.

By order of the Board
Accel Group Holdings Limited
Ko Lai Hung

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 29 June 2022

As at the date of this announcement, the executive Directors are Dr. Ko Lai Hung and Ms. Cheung Mei Lan; the non-executive Director is Mr. Ko Angus Chun Kit and the independent non-executive Directors are Mr. Chan Cheong Tat, Ms. Tse Ka Wing and Mr. Ho Chi Shing.