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CHONG KIN GROUP HOLDINGS LIMITED

創建集團（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1609)

DISCLOSEABLE TRANSACTION ACQUISITION OF THE LAND

ACQUISITION OF THE LAND

On 14 January 2021 (Grenada local time), Hartman Education, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement in relation to the acquisition of a parcel of land situate at Mt. Hartman in the parish of Saint George in the State of Grenada containing by admeasurement 148 acres at a consideration of US\$20,000,000 (equivalent to approximately HK\$156,000,000).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company.

ACQUISITION OF THE LAND

The Board is pleased to announce that on 14 January 2021 (Grenada local time), the Purchaser, an indirect wholly-owned subsidiary of the Company and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser shall purchase and the Vendor shall sell the Target Land.

Details of the Sale and Purchase Agreement are set out below:

Date: 14 January 2021 (Grenada local time)

Parties: (i) Hartman Education Enterprise Ltd, an indirect wholly-owned subsidiary of the Company, as purchaser; and
(ii) the Government of Grenada, as vendor

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.

Details of the Target Land

The Target Land situate at Mt. Hartman in the parish of Saint George in the State of Grenada containing by admeasurement 148 acres. As at the date of this announcement, the Target Land is designated for commercial use. The Vendor shall sell and the Purchaser shall purchase the freehold title of the Target Land free from encumbrances.

Development of the Target Land

The Group intends to develop the Target Land, which is a parcel of freehold land that will be owned by the Group in perpetuity upon completion, into a standalone university town comprising residential properties, commercial centres, education facility, student village and hotels equipped with comprehensive facilities and amenities in the surroundings. As at the date of this announcement, according to the document issued by the Grenada Ministry of Education, the Vendor is in active discussion with the Group to establish an American-based university on the Target Land aimed at attracting students from the PRC and other countries. It is intended that the Vendor will execute an agreement to grant to the Purchaser the rights to develop and run the branch campus of an American based University for an exclusive period of ten years.

The Group is also in active discussion with a renowned developer in the PRC which is a Fortune Global 500 Company, for collaboration in developing the Target Land. It is intend that the developer will provide funding, technical knowledge and expertise in building and developing the Target Land into a university town. The Purchaser will be responsible in promotion and sale of the residential and the commercial properties on the Target Land.

There are no definitive agreements entered or to be entered into between the parties in relation to the development of the Target Land. The Company shall disclose the details for development of the Target Land from time to time as and when required in compliance with the Listing Rules.

Consideration and Payment Terms

The Consideration for the Acquisition shall be in the sum of US\$20,000,000 (equivalent to approximately HK\$156,000,000) in cash. The full amount of the Consideration shall be paid by the Purchaser to the Vendor within five days from the date of the Sale and Purchase Agreement.

The Consideration was arrived at normal commercial terms and after arm's length negotiation between the Purchaser and the Vendor, having taken into account the valuation of the Target Land as appraised by an independent valuer.

The Consideration will be satisfied by internal resources of the Group.

Completion

Completion of the Acquisition shall take place within forty-five (45) days after receipt of payment of the Consideration, whereby the Vendor shall delivery vacant possession of the Target Land to the Purchaser free from encumbrances.

The Directors consider that the terms of the Acquisition are normal commercial terms, which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Sale and Purchase Agreement is governed by the laws of Grenada.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Grenada is an island country situate in Caribbean Sea. It is gaining affection for an immigration policy that is aiming to draw investors globally in particular, those from the PRC and the Middle East countries and Russia. As at the date of this announcement, Grenada citizenship by investment scheme offers visa free access to the PRC, making it a very popular option for business people with ties to the PRC. Besides, Grenada is one of the E2 Treaty countries with the United States. The E2 Treaty investor visa offers Grenadian citizens and their family the opportunity to reside, work and study in the United States in return for an additional business investment in the United States.

The Target Land is located in a fast growing area which has been earmarked by the Government of Grenada for development into a university town equipped with students' accommodation and related comprehensive commercial amenities in the surroundings. It is expected that residential and commercial market in that region will be in high demand and that the Target Land, once developed, will be sold to the investors globally which shall contribute good revenue stream to the Group in the foreseeable future.

The Company considers that the Acquisition represents a good investment opportunity to the Group, through which the Group will be able to enjoy the estimated earnings of the development in relation to the Target Land, it will enhance the investment portfolio and asset base of the Group. The Directors consider that the Acquisition of the Target Land represents further endeavour of the Group to integrate its gains into its larger investment picture.

INFORMATION ON THE PARTIES

The Group is principally engaged in three operating segments: (i) provision of concrete placing and other ancillary services as a subcontractor for both public and private sector projects, including building and infrastructure related projects in Hong Kong; (ii) provision of new energy vehicle and logistics related services including new energy vehicle sales and leasing, road freight transportation and the provision of finance leasing services in the PRC; and (iii) provision of cross-border payment and money exchange services in the United Kingdom.

The Vendor is the Government of Grenada.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company.

DEFINITIONS

“Acquisition”	the acquisition of the Land pursuant to the Sale and Purchase Agreement
“Board”	board of Directors of the Company
“Company”	Chong Kin Group Holdings Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange (stock code: 1609)
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Consideration”	the consideration payable by the Purchaser for the Land under the Sale and Purchase Agreement
“Directors”	the directors of the Company

“E2 Treaty”	a non-immigrant visa reserved for foreign entrepreneurs of countries that have a Treaty of Trade and Commerce with the United States
“Group”	the Company and its subsidiaries
“Hartman Education”	Hartman Education Enterprise Ltd, a limited liability company incorporated under the laws of Grenada and an indirect wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	An independent third party(ies) which is not connected with the chief executive, directors and substantial shareholders of the Company or any of its subsidiaries and associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Purchaser”	Hartman Education
“Sale and Purchase Agreement”	The sale and purchase agreement dated 14 January 2021 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Share(s)”	ordinary share(s) of HK\$0.01 each of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Land”	one parcel of land situate at Mt. Hartman in the parish of Saint George in the State of Grenada containing by admeasurement 148 acres
“Vendor”	The Government of Grenada
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“PRC”	the People’s Republic of China
“United Sates”	United States of America

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

By order of the Board
Chong Kin Group Holdings Limited
Zhang Jinbing
Chairman and Chief Executive Officer

Hong Kong, 15 January 2021

For illustration purpose only, amounts in US\$ in this announcement have been converted into HK\$ at the rate of US\$1 = HK\$7.8.

As at the date hereof, the Honorary Chairman of the Company is Mr. Lyu Changsheng; the Board comprises three executive Directors, namely Mr. Zhang Jinbing, Mr. Ni Biao and Mr. Yang Rui; and three independent non-executive Directors, namely Dr. Li Yifei, Mr. Tam Ping Kuen Daniel and Mr. Yan Haiting.