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**CCFI FORTIS HOLDINGS LIMITED**  
**( 中 建 富 通 集 團 有 限 公 司 )**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 00138)**

**MAJOR TRANSACTION IN RELATION TO THE DISPOSAL**

**THE DISPOSAL**

On 26 April 2019, the Vendor and the Purchaser entered into the Provisional Agreement, pursuant to which the Vendor agreed to dispose of the Sale Share and to assign the Shareholder's Loan to the Purchaser. The Consideration for the Disposal is HK\$158,750,000. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. The Target Company is the legal and beneficial owner of the Target Properties.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios for the Disposal exceeds 25% but all the applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and therefore is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the date of this announcement, no Shareholders or any of their respective associates have any material interest in the Disposal. As such, no Shareholder would be required to abstain from voting in favour of the resolution approving the Disposal if the Company were to convene a special general meeting to approve the Disposal.

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting. The Company has obtained the written approval from a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 468,944,731 Shares, representing approximately 53.70% of the total number of issued Shares as at the date of this announcement, to approve the Disposal. Of the 468,944,731 Shares beneficially interested by these Relevant Shareholders, 22,919,652 Shares, 96,868,792 Shares, 171,357,615 Shares and 177,798,672 Shares are beneficially owned by Mr. Mak, Capital Force, New Capital and Capital Winner respectively, representing approximately 2.63%, 11.09%, 19.63% and 20.35%, respectively of the total number of issued Shares as at the date of this announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

A circular of the Company containing, among others, (i) further details of the Disposal, and (ii) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 21 May 2019, in accordance with the Listing Rules.

On 26 April 2019, the Vendor and the Purchaser entered into the Provisional Agreement in relation to the Disposal. The principal terms of the Disposal are set out below.

## **Provisional Agreement**

**Date:** 26 April 2019

**Parties:** (i) Great Precision Group Limited, as the Vendor; and  
(ii) Digital China (BVI) Limited as the Purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **Subject matter**

Pursuant to the Provisional Agreement, the Vendor will dispose of the Sale Share and assign the Shareholder's Loan to the Purchaser upon the terms contained therein.

The Vendor and the Purchaser will enter into the Formal Agreement on or before 10 May 2019 (or such later date as agreed in writing between the Vendor and the Purchaser).

## **The Consideration**

The Consideration is HK\$158,750,000, payable in cash.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the prevailing market price of properties at nearby location.

The Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Terms of Payment**

The Consideration is payable as follows:

- (a) An initial deposit of HK\$4,762,500 was paid by the Purchaser upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$11,112,500 will be paid by the Purchaser on or before 10 May 2019; and

- (c) the balance of the Consideration of HK\$142,875,000 (the “**Balance**”) will be paid by the Purchaser, subject to the adjustment as explained below, on Completion.

If, according to the Completion Management Accounts, the Target Company has any outstanding borrowings, indebtedness or liabilities (other than the Shareholder’s Loan), the Balance will be pro tanto reduced by the amount of such outstanding borrowings, indebtedness or liabilities.

## **Completion**

Completion of the Disposal is conditional upon of the following:

- (a) the Purchaser having completed its due diligence investigation on the business, financial, legal and all other aspects of the Target Company and satisfied with the results thereof;
- (b) the Vendor, at the Vendor’s own cost, having procured the Target Company to prove and give a good title to the Target Properties in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (c) all the representations, undertakings and warranties given by the Vendor under this Provisional Agreement and the Formal Agreement are and shall remain true, accurate, correct and complete and not misleading in all respects up to the Completion; and
- (d) the release or discharge of the existing mortgages on the Target Properties on or before the Completion Date.

If any of the foregoing conditions is not fulfilled (or waived by the Purchaser) on or before the Completion Date, the Purchaser shall be entitled to cancel the Disposal whereupon the Vendor shall, and shall procure the Vendor’s solicitors to return all the deposit paid by the Purchaser under the Provisional Agreement to the Purchaser forthwith.

Completion of the Disposal shall take place on 31 July 2019 (or such other date and time as the Vendor and the Purchaser may agree in writing).

After the Completion, the Vendor will not hold any equity interest in the Target Company. The Target Company will cease to be a subsidiary of the Vendor and accordingly, the accounts of the Target Company will cease to be consolidated into the accounts of the Group.

## **INFORMATION OF THE TARGET COMPANY AND THE TARGET PROPERTIES**

As at the date of this announcement, the Target Company is the legal and beneficial owner of the Properties which comprise the Target Properties and the Retained Properties. Prior to Completion, the Target Company will transfer the Retained Properties to other subsidiary or subsidiaries of the Vendor.

The Target Properties have been occupied by the Group for self-use purpose until October 2018. The Target Properties are vacant at present.

Set out below is the financial information of the Target Company for the two financial years ended 31 December 2017 and 2018:

	<b>Year ended 31 December 2018 (Unaudited) HK\$'000</b>	<b>Year ended 31 December 2017 (Audited) HK\$'000</b>
Net (loss)/profit before taxation and extraordinary items	(1,373)	61,972
Net (loss)/ profit after taxation and extraordinary items	(1,373)	61,972

Based on the accounts of the Target Company, the net book value of the Target Properties is approximately HK\$78 million as at 31 December 2018.

## **REASONS FOR AND BENEFITS DERIVED FROM THE DISPOSAL**

The Target Properties were acquired by the Target Company in 2011 and are held by the Group for self-use purpose until October 2018. In October 2018, the Company moved its office address from the Target Properties to its present address in Fotan, Shatin, New Territories. Thereafter, the Target Properties are vacant. As the Company no longer requires the Target Properties for its own use, the Board is of the opinion that the Company should realise its investment in the Target Properties and the proceeds from the Disposal will further enhance the financial position of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Agreement and the Disposal are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **GAIN OR LOSS ATTRIBUTABLE TO THE DISPOSAL**

It is estimated that the unaudited net gain from the Disposal was approximately HK\$79 million, representing the difference between the net Consideration of approximately HK\$157 million (net of stamp duty on transfer of the Sale Share, transaction costs and property agent's commission of approximately HK\$1.75 million in total) and the net book value of the Target Properties at Completion of approximately HK\$78 million.

## **USE OF PROCEEDS OF THE DISPOSAL**

The Company will firstly apply the net proceeds from the Disposal of approximately HK\$157 million for the full repayment of all the mortgage loans charged on the Target Properties with the total amount of approximately HK\$85 million. The Company intends to apply the balance of the net proceeds of approximately HK\$72 million as to HK\$25 million for general working capital and as to HK\$47 million for operations and development of its principal businesses and other possible business development and investments of the Group, when appropriate opportunities arise.

## **INFORMATION OF THE VENDOR, THE COMPANY AND THE GROUP**

The Vendor is an indirect wholly-owned subsidiary of the Company and its principal activity is investment holding.

The Company is the holding company of the Group, which is principally engaged in (i) property development, trading and investment; (ii) securities business; (iii) Ferrari dealership; (iv) classic car trading and investment and car logistic business; (v) investment and trading in time pieces; (vi) multimedia business; (vii) cultural entertainment business; and (viii) industrial product business.

## **INFORMATION OF THE PURCHASER**

To the best of the Directors' knowledge, the Purchaser is principally engaged in investment.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios for the Disposal exceeds 25% but all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and therefore is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the date of this announcement, no Shareholders or any of their respective associates have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Disposal if the Company were to convene a special general meeting to approve the Disposal.

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting. The Company has obtained the written approval from a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 468,944,731 Shares, representing approximately 53.70% of the total number of issued shares of the Company as at the date of this announcement, to approve the Disposal. Of the 468,944,731 Shares beneficially interested by these Relevant Shareholders, 22,919,652 Shares, 96,868,792 Shares, 171,357,615 Shares and 177,798,672 Shares are beneficially owned by Mr. Mak, Capital Force, New Capital and Capital Winner respectively, representing approximately 2.63%, 11.09%, 19.63% and 20.35% respectively of the total number of issued Shares as at the date of this announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

A circular of the Company containing, amongst other information, (i) further details of the Disposal, and (ii) other information required to be disclosed under the Listing Rules, will be despatched to the Shareholders on or before 21 May 2019, in accordance with the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors;
“Capital Force”	Capital Force International Limited, a company incorporated in the British Virgin Islands, the shares in which are wholly-owned by Mr. Mak;
“Capital Winner”	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands, the shares in which are wholly-owned by Mr. Mak;
“Company”	CCT Fortis Holdings Limited (stock code: 00138), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	Completion of the Disposal in accordance with the terms and conditions of the Provisional Agreement and the Formal Agreement;
“Completion Date”	31 July 2019 (or such other date and time as the Vendor and the Purchaser may agree in writing) on which the Completion will take place;
“Completion Management Accounts”	the profit and loss accounts of the Target Company from 1 January 2019 to the Completion Date and the balance sheet of the Target Company as at the Completion Date;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Consideration”	HK\$158,750,000, being the consideration for the Disposal;
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company from time to time;
“Disposal”	the sale of the Sale Share and the assignment of the Shareholder’s Loan to the Purchaser pursuant to the terms and conditions of the Provisional Agreement and the Formal Agreement;
“Formal Agreement”	the formal share sale and purchase agreement to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Share and the assignment of the Shareholder’s Loan;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Mak”	Mr. Mak Shiu Tong, Clement, the chairman, the chief executive officer, an executive director and the controlling shareholder of the Company;
“New Capital”	New Capital Industrial Limited, a company incorporated in the British Virgin Islands, the shares in which are wholly-owned by Mr. Mak;
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules;
“Properties”	the Target Properties and the Retained Properties;
“Provisional Agreement”	the provisional share sale and purchase agreement dated 26 April 2019 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Share and the assignment of the Shareholder’s Loan;
“Purchaser”	Digital China (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability;

“Relevant Shareholders”	a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 468,944,731 Shares, representing approximately 53.70% of the total number of issued Shares as at the date of this announcement;
“Retained Properties”	the six car parking spaces nos. 5, 6, 7, 8, 9 and 10 on the first floor, Fortis Tower, 77-79 Gloucester Road, Hong Kong, to be transferred by the Target Company to other subsidiary or subsidiaries of the Vendor;
“Sale Share”	one share in the capital of the Target Company, which was issued and fully paid and represent 100% of the total number of issued share(s) of the Target Company as at the date of this announcement;
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the issued Share(s);
“Shareholder’s Loan”	all such sum of money advanced by way of loan by the Vendor to the Company and all other debts owing by the Company to the Vendor and/or its associates (if any) as at Completion;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Charter Base Development Limited, a company incorporated in Hong Kong with limited liability, which is the legal and beneficial owner of the Properties;
“Target Properties”	31st floor, Fortis Tower, 77-79 Gloucester Road, Hong Kong;
“Vendor”	Great Precision Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

By Order of the Board of  
**CCT FORTIS HOLDINGS LIMITED**  
**Mak Shiu Tong, Clement**  
*Chairman*

Hong Kong, 26 April 2019

*As at the date of this announcement, the executive Directors are Mr. Mak Shiu Tong, Clement, Mr. Tam Ngai Hung, Terry, Ms. Cheng Yuk Ching, Flora and the independent non-executive Directors are Mr. Tam King Ching, Kenny, Mr. Chen Li and Mr. Chow Siu Ngor.*