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Acme International Holdings Limited

益美國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1870)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTIES

THE ACQUISITION OF PROPERTIES

The Board is pleased to announce that on 9 October 2024 (after trading hours of the Stock Exchange), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Preliminary Agreements with the Vendor, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Properties at the aggregate Consideration of HK\$40,455,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition of the Properties is more than 5% but all of which are less than 25%, the acquisition of the Properties constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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THE PRELIMINARY AGREEMENTS

The principal terms of the Preliminary Agreements are set out below:

Date : 9 October 2024

Parties : (1) CSW1018 Company Limited as the Vendor
(2) Acme Gondola Systems Limited as the Purchaser

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Properties to be acquired

Workshops 5, 6 and 7 on 8th Floor, Orient International Tower, No. 1018 Tai Nan West Street, Kowloon, Hong Kong, being the Properties, which are industrial properties with aggregate gross floor area and aggregate saleable floor area of approximately 4,495 square feet and approximately 2,921 square feet, respectively.

Consideration and payment terms

The Consideration for the acquisition of Workshops 5, 6 and 7 on 8th Floor, Orient International Tower, No. 1018 Tai Nan West Street, Kowloon, Hong Kong, being the Properties is HK\$13,851,000, HK\$13,059,000 and HK\$13,545,000, respectively and in aggregate HK\$40,455,000, and shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit equivalent to 5% of the Consideration in the sum of HK\$2,022,750 shall be paid upon signing of the Preliminary Agreements;
- (b) a further deposit equivalent to 5% of the Consideration in the sum of HK\$2,022,750 shall be paid on or before 23 October 2024; and
- (c) the balance of the Consideration in the sum of HK\$36,409,500 shall be paid on or before 9 December 2024.

Upon Completion, the Purchaser is entitled to receive from the Vendor a cash rebate as part of the Consideration for the sale and purchase of Workshops 5, 6 and 7 on 8th Floor, Orient International Tower, No. 1018 Tai Nan West Street, Kowloon, Hong Kong, being the Properties, in the amount of HK\$6,002,100, HK\$5,658,900 and HK\$5,869,500, respectively, and in aggregate HK\$17,530,500, the failure of the Vendor to deliver such cash rebate to the Purchaser shall entitle the Purchaser to terminate the Formal Agreements. Taking into account the cash rebate, the net Consideration for the Properties is HK\$22,924,500.

The Consideration and the cash rebate were determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the prevailing market value of the Properties of comparable nature and size available in the localities; and (ii) the current Hong Kong property market sentiment. The net Consideration for the Properties will be funded by the Group's internal resources and bank financing. Such bank financing will be secured by a mortgage on the Properties.

Formal Agreements

Pursuant to the terms of the Preliminary Agreements, the Vendor and the Purchaser shall enter into the Formal Agreements on or before 23 October 2024.

Existing tenancy

The Properties are currently leased to Independent Third Parties with following terms:

Property	Monthly rental	Term	Rental period
Workshop 5 on 8th Floor, Orient International Tower, No. 1018 Tai Nan West Street, Kowloon, Hong Kong	HK\$38,475	24 months	From 8 May 2023 to 7 May 2025 (both days inclusive)
Workshop 6 on 8th Floor, Orient International Tower, No. 1018 Tai Nan West Street, Kowloon, Hong Kong	HK\$36,275	24 months	From 8 May 2023 to 7 May 2025 (both days inclusive)
Workshop 7 on 8th Floor, Orient International Tower, No. 1018 Tai Nan West Street, Kowloon, Hong Kong	HK\$37,625	24 months	From 15 February 2023 to 14 February 2025 (both days inclusive) with an option to renew for 12 months upon expiry of the 24-month term

Pursuant to the Preliminary Agreements, the Properties shall be delivered upon Completion on an "as is" basis subject to the existing tenancy.

Completion

The completion of the acquisition of the Properties shall take place on or before 9 December 2024.

INFORMATION OF THE PARTIES OF THE PRELIMINARY AGREEMENTS

The Group

The Company is an investment holding company and its subsidiaries are principally engaged in providing one-stop design and built solutions for building maintenance unit system works and development, design, production and sale of new energy generation and energy storage system and provision of services for sales of electricity.

The Purchaser is an indirect wholly-owned subsidiary of the Company and is principally engaged the provision of design and build solutions for building maintenance units systems in Hong Kong.

The Vendor

The Vendor is a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, the principal business of the Vendor is investment holding, and the ultimate beneficial owner of the Vendor is Hui Wai Yan.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE PROPERTIES

To cope with the rapid business development and future expansion of the Group's business, it is intended that the Properties, which are industrial building units, will be acquired by the Group for use as workshop and storage upon expiry of the existing tenancies thereon. The acquisition of the Properties enables the Group to reduce ongoing and future rental expenses and relocation costs. The Directors consider that the acquisition of the Properties can meet the Group's needs for storage spaces and it represents an opportune time for the Group to acquire the Properties given the recent trend of the property market in Hong Kong.

Taking into account of the above, the Board considers that the acquisition of the Properties and the terms of the Preliminary Agreements (including the Consideration after taking into account the cash rebate) are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition of the Properties is more than 5% but all of which are less than 25%, the acquisition of the Properties constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Acme International Holdings Limited (益美國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1870)
“Completion”	completion of the sale and purchase of the Properties in accordance with the terms and conditions of the Preliminary Agreements and the Formal Agreements
“Consideration”	the aggregate consideration in the sum of HK\$40,455,000 payable by the Purchaser to the Vendor for the acquisition of the Properties
“Director(s)”	the director(s) of the Company
“Formal Agreements”	the formal sale and purchase agreements to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Properties
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Preliminary Agreements”	the preliminary agreements for sale and purchase all dated 9 October 2024 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Properties
“Properties”	Workshops 5, 6 and 7 on 8th Floor, Orient International Tower, No. 1018 Tai Nan West Street, Kowloon, Hong Kong

“Purchaser”	Acme Gondola Systems Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	the ordinary share(s) of the Company with a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	CSW1018 Company Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent.

By order of the Board
Acme International Holdings Limited
Kwan Kam Tim
Chairman and Executive Director

Hong Kong, 9 October 2024

As at the date of this announcement, the Board comprises seven members, of which Mr. Kwan Kam Tim, Mr. Yip Wing Shing, Mr. Zhang Guangying and Ms. Leung Ng Mui May are the executive directors of the Company; and Prof. Hons. Lau Chi Pang, BBS, J.P., Mr. Chin Wai Keung Richard and Prof. Mo Lai Lan are the independent non-executive directors of the Company.