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KPM HOLDING LIMITED

吉輝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8027)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

The Board is pleased to announce that on 5 July 2019, the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property at a Consideration of S\$4,100,000.

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under the GEM Listing Rules.

THE ACQUISITION

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A summary of the principal terms of the Agreement are set out below:

Date

5 July 2019

Parties

- (1) The Purchaser
- (2) The Vendor

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

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Property at 14 Loyang Way 4, Loyang Industrial Estate, Singapore 507601 with a land area of 43,182 square feet and floor area of 20,441 square feet.

Consideration

The Consideration for the Acquisition is S\$4,100,000 (equivalent to approximately HK\$23,616,000), which shall be payable by the Purchaser to the Vendor in the following manner:

- (i) a deposit of S\$205,000 upon the date of the Agreement; and
- (ii) the balance of the Consideration of S\$3,895,000 on Completion.

The Consideration was determined based on normal commercial terms after arm's length negotiations between the Vendor and the Purchaser with reference to, amongst other things, the current market prices of similar properties in similar locations.

The Company intends to settle the Consideration by the internal resources of the Group and bank borrowings.

Conditions precedent

Completion of the Acquisition is subject to and conditional upon the following Conditions being fulfilled or waived:

- (i) written approval being obtained from JTC Corporation for the Vendor to sell and the Purchaser to acquire the Property by way of assignment/transfer of all the Vendor's rights, title, estate and interest in the Property to the Purchaser; and
- (ii) the Purchaser having obtained approval from JTC Corporation for the change of use of the Property.

Completion

Completion shall take place on or before 2 January 2020 (or such later date as may be agreed between the Vendor and the Purchaser in writing), subject to the fulfillment or waiver of the Conditions.

If any of the Conditions has not been fulfilled by 2 January 2020 (or such later date as may be agreed between the Vendor and the Purchaser in writing), the Agreement shall be terminated by either party and the Vendor shall refund the deposits paid by the Purchaser without interest. Neither the Purchaser nor the Vendor shall have any claim against the other whether for costs, damages, compensation or otherwise save in respect of any antecedent breach of the Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the design, fabrication, installation and maintenance of signage and related products.

The Property is intended to be held by the Group for its own use as office and factory premise. Currently, the Group leases its office and factory premise and thereby incurs rental expenses on an ongoing basis. The existing landlord has informed the Group that they have no intention to extend the lease tenure upon its expiry on 28 February 2020. The Directors consider that the Acquisition provides an excellent opportunity for the Group to have more control over our costs and a bigger and more suitable property, which would in turn improve our financial performance and competitiveness in the market.

The Board are of the view that the Acquisition and the terms of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the terms of the Agreement
“Agreement”	the sale and purchase agreement dated 5 July 2019 entered into between the Vendor and the Purchaser with respect to the Acquisition
“Board”	the board of Directors
“Company”	KPM Holding Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on GEM
“Completion”	completion of the Acquisition pursuant to the terms of the Agreement
“Conditions”	the conditions precedent to the Acquisition as set out in the Agreement, which are described in the section headed “Conditions precedent” in this announcement

“connected person(s)”	having the meaning as ascribed thereto under the GEM Listing Rules
“Consideration”	the sum of S\$4,100,000 payable by the Purchaser to the Vendor for the Acquisition pursuant to the terms of the Agreement
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	the lawful currency of Hong Kong
“Purchaser”	Signmechanic Pte Limited, a direct wholly-owned subsidiary of the Company, a company incorporated in Singapore with limited liability
“Property”	the property located at 14 Loyang Way 4, Loyang Industrial Estate, Singapore 507601
“S\$”	the lawful currency of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Viking Life-Saving Equipment Pte Limited, a company incorporated in Singapore with limited liability and is the sole legal and beneficial owner of the Property

By order of the Board
KPM Holding Limited
Tan Thiam Kiat Kelvin
Chairman

Hong Kong, 5 July 2019

As at the date of this announcement, the executive Directors are Mr. Tan Thiam Kiat Kelvin, Mr. Tan Kwang Hwee Peter and Ms. Kong Weishan and the independent non-executive Directors are Mr. Lau Muk Kan, Mr. Tan Kiang Hua and Mr. Lock Kiu Yin.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the Company’s website at www.kpmholding.com.

** For identification purposes only*