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Milestone Builder Holdings Limited

進階發展集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1667)

DISCLOSEABLE TRANSACTION (ACQUISITION OF LAND)

Reference is made to the announcement of the Company dated 21 March 2018 in relation to, *inter alia*, the letter of intent in relation to the possible acquisition for the Land in Osaka, Japan.

On 16 April 2018 (after trading hours), the Vendor and the Purchaser (which is indirectly held as to 70% by the Company) has entered into the Formal Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire for the Land at a Consideration of 290,000,000 Japanese Yen (equivalent to approximately HK\$21,182,000).

As the applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 21 March 2018 in relation to, *inter alia*, the letter of intent in relation to the possible acquisition for the Land in Osaka, Japan.

The Board is pleased to announce that on 16 April 2018 (after trading hours on the Stock Exchange), the Vendor, a limited company (Yugen-Gaisha) incorporated in Japan and the Purchaser, Popsible Development Limited, which is indirectly held as to 70% by the Company, has entered into the Formal Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire for the land and the building erected thereon located at 4-10, 1 Chome, Dotonbori, Chuo-ku, Osaka, Japan, at a Consideration of 290,000,000 Japanese Yen (equivalent to approximately HK\$21,182,000).

Possible Development Limited is a joint venture entity indirectly held as to 70% by the Company and 30% by a JV Partner. The JV Partner is a real estate investment and hospitality management company incorporated in Hong Kong and principally engaged in acquiring and developing properties, and operating and managing hotels and guesthouses in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the JV Partner (including its ultimate beneficial owner) is an Independent Third Party.

Possible Development Limited was established for the property development business in Japan, which may include, but not limited to, (i) property consolidation, assembly and redevelopments; (ii) property trading and/or investment; and (iii) hospitality management business (the "Property Development Business in Japan"). Pursuant to the Shareholders Agreement entered into among the Company and the JV Partner, the Company and JV Partners are required to contribute from time to time on pro-rata basis according to its shareholding of Possible Development Limited to the funding required for the Property Development Business in Japan.

DETAILS OF THE FORMAL AGREEMENT AND THE ACQUISITION

Date: 16 April 2018, after trading hours

Parties: (a) Possible Development Limited, which is indirectly held as to 70% by the Company, being the Purchaser; and
(b) a limited company (Yugen-Gaisha) incorporated in Japan, being the Vendor

To the best knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, the Vendor is an Independent Third Party.

Information of the Land

Location: 4-10, 1 Chome, Dotonbori, Chuo-ku, Osaka, Japan

Site area: Approximately 167 square meter

Expected gross floor area: Approximately 666 square meter

Area usage: Commercial usage

Consideration and payment terms

The Consideration of the Land is 290,000,000 Japanese Yen (equivalent to approximately HK\$21,182,000).

The initial deposit for the Formal Agreement (which will then form part of the Consideration), being 29,000,000 Japanese Yen (equivalent to approximately HK\$2,118,000), is payable on 16 April 2018.

The balance of the Consideration, being 261,000,000 Japanese Yen (equivalent to approximately HK\$19,064,000) will be payable upon which completion of the Acquisition take place, such completion date will be 16 May 2018.

The Consideration payable on completion of the Acquisition by Popsible Development Limited will be financed by the Company and the JV Partner in accordance to their respective shareholding in Popsible Development Limited. The total commitment for the Acquisition by the Group will be approximately HK\$14,827,000.

The Board currently contemplates that the Company will finance the commitment for developing the Land through a number of means, including debt financing, internal resources or a combination of them. The Company has been in negotiations with certain financial institutions for the feasibility of financial support.

The terms of the Formal Agreement and Shareholders Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Formal Agreement and Shareholders Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GENERAL

As the applicable percentage ratios in respect of the Acquisition are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

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| “Acquisition” | the acquisition by the Purchaser from the Vendor who holds the legal and beneficial ownership of the piece of Land |
| “Board” | the board of Directors |
| “Company” | Milestone Builder Holdings Limited (stock code: 1667), a company incorporated in the Cayman Island with limited liability, the securities of which are listed on the main board the Stock Exchange |
| “Consideration” | the consideration for the Acquisition, being 290,000,000 Japanese Yen (equivalent to approximately HK\$21,182,000) |

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| “Director(s)” | the director(s) of the Company |
| “Formal Agreement” | the formal sale and purchase agreement in relation to the Acquisition |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules) |
| “Japanese Yen” | Japanese Yen, the lawful currency of Japan |
| “JV Partner” | Ocean Sky Development Limited, a company incorporated in Hong Kong |
| “Land” | the land and the building erected thereon located at 4–10, 1 Chome, Dotonbori, Chuo-ku, Osaka, Japan |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Purchaser” | Popsible Development Limited, a company incorporated in Hong Kong which is indirectly held as to 70% by the Company |
| “Shareholders Agreement” | the shareholders agreement dated 23 January 2018 entered in to between Milestone Builder Investment Limited, a wholly owned subsidiary of the Company, and the JV Partner in respect of the operation of the Purchaser |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | A limited company (Yugen-Gaisha) incorporated in Japan, an independent third party and not connected with the Company and its connected persons |

By Order of the Board
Leung Kam Fai
Chairman and Executive Director

Hong Kong, 16 April 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Leung Kam Fai and Mr. Lam Ka Ho as executive Directors; Mr. Keung Kwok Hung, Mr. Fong Man Fu Eric and Ms. Lau Suk Han Loretta as independent non-executive Directors.