ALTUS HOLDINGS LIMITED
浩德控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8149)

DISCLOSEABLE TRANSACTION

Financial adviser to the Company

ALTUS CAPITAL LIMITED

THE JSSI AGREEMENT

The Board is pleased to announce that Starich, a wholly-owned subsidiary of the Company, entered into the JSSI Agreement with the Vendor on 26 June 2017, whereby Starich has agreed to acquire (i) the JSSI Sale Shares, representing approximately 8.1% of the entire issued share capital in JSSI; and (ii) the benefit of the JSSI Sale Loan, for the total consideration of JPY23,602,575 (equivalent to approximately HK$1.7 million as at the date of the JSSI Agreement).

LISTING RULES IMPLICATIONS

When aggregated with the Previous Acquisition (which were completed within a 12 months period) pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules, the Acquisition constitutes a discloseable transaction under Rule 19.06(2) of the GEM Listing Rules, as one of the aggregated applicable percentage ratios of the Previous Acquisition and the Acquisition exceeds 5% and is less than 25%. The Acquisition is therefore subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Reference is made to the announcement of the Company on 17 November 2016, detailing the Group's acquisition of approximately 64.9% of the entire issued share capital in JSSI. The Board is pleased to announce that Starich, a wholly-owned subsidiary of the Company, entered into the JSSI Agreement with the Vendor on 26 June 2017, whereby Starich has agreed to acquire (i) the JSSI Sale Shares, representing approximately 8.1% of the entire issued share capital in JSSI; and (ii) the benefit of the JSSI Sale Loan, for the total consideration of JPY23,602,575 (equivalent to approximately HK$1.7 million as at the date of the JSSI Agreement).

Since completion of the Previous Acquisition, JSSI is an indirectly held non wholly-owned subsidiary of the Company, and its financial results have been consolidated into the accounts of the Group. Upon JSSI Completion, the Group's attributable interest in JSSI will increase from approximately 86.5% to approximately 94.6%.

1 THE ACQUISITION

1.1 Principal terms of the JSSI Agreement

Date: 26 June 2017

Parties

Purchaser: Starich

Vendor: an Independent Third Party

1.1.1 The Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Vendor is an Independent Third Party to the Company and its connected persons.

1.1.2 The JSSI Sale Shares and JSSI Sale Loan

Pursuant to the JSSI Agreement, Starich has agreed to purchase, and the Vendor has agreed to sell, (i) the JSSI Sale Shares, representing approximately 8.1% of the entire issued share capital of JSSI as at the date of JSSI Completion; and (ii) the benefit of the JSSI Sale Loan. Set out in the table below is the breakdown of the shareholdings of JSSI as at the date of this announcement.

Shareholders	No. of JSSI shares	% of issued share capital of JSSI
Vendor	300	8.1
I Corp (a non-wholly-owned subsidiary of the Company)	1,000	27.0
Starich (a wholly-owned subsidiary of the Company)	2,400	64.9
Total	**3,700**	**100.0**

1.1.3 The JSSI Consideration and payment method

The JSSI Consideration of JPY23,602,575 (equivalent to approximately HK$1.7 million as at the date of the JSSI Agreement) represents a discount of approximately 4% to the unaudited net asset value of JSSI (adjusted for shareholders' loans) attributable to the JSSI Sale Shares. The unaudited net asset value of JSSI was approximately JPY303.0 million as at 31 March 2017.

The JSSI Consideration shall be settled in full in cash by Starich, by remittance, no later than five business days following the date of the JSSI Agreement, and will be funded by internal resources of the Group.

The JSSI Consideration for the Acquisition was arrived after arm's length negotiation with reference to the aforesaid net asset value of JSSI (adjusted for shareholders' loans), taking also into account that the Acquisition represents an opportunity for the Group to further consolidate its interest in the JSSI Property.

1.1.4 JSSI Completion

At JSSI Completion, which shall take place on the JSSI Settlement Date, the Vendor shall deliver or cause to be delivered to Starich:

(i) duly executed instrument(s) of transfer in respect of the transfer of the Sale Shares, in favour of the Starich;

(ii) such other documents as may be required to give to Starich good title to the JSSI Sale Shares and to enable Starich to become the registered holder thereof; and

(iii) duly executed JSSI Deed of Assignment in favour of Starich.

The terms of the JSSI Agreement were determined after arm's length negotiation between the Company and the Vendor. The Directors consider the terms and conditions of the JSSI Agreement to be on normal commercial terms, to be fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

1.2 Information on JSSI

JSSI is principally engaged in property investment and generates rental income through the JSSI Property. The only asset of JSSI is the JSSI Property with a fair value of approximately JPY313.0 million valued by Colliers International Tokyo as at 31 March 2017 (equivalent to approximately HK$21.9 million as at the date of the JSSI Agreement). The JSSI Property is located in Sapporo City, Hokkaido Prefecture, Japan and comprises 36 residential units, two commercial units and seven car parking units. For the two years ended 31 March 2017, it generated rental income of approximately JPY20.5 million and JPY21.9 million, respectively. As at 31 March 2017, the JSSI Property was fully occupied.

Set out below is unaudited financial information of JSSI for the latest two financial years prepared in accordance with IFRS.

	For the year ended 31 March	
	2016	**2017**
	(unaudited)	**(unaudited)**
	JPY million	*JPY million*
Revenue	20.5	21.9
Dividend	–	15.7
Profit before tax	18.8	50.7
Profit after tax for the year *(Note 1)*	16.7	30.1

Note:

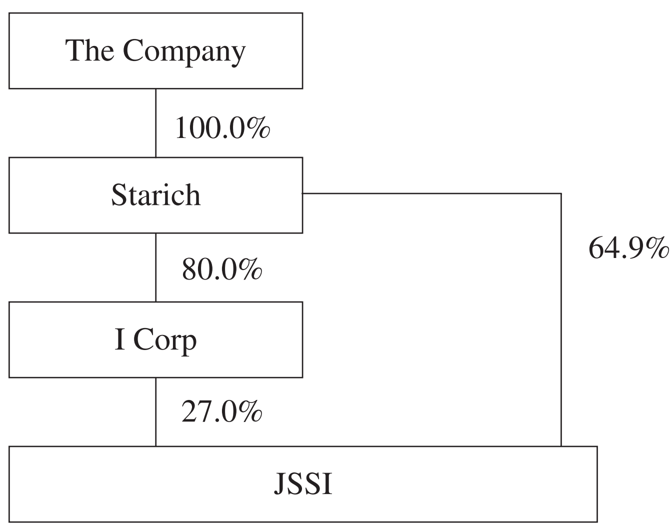
1. The amount of profit after tax for the year ended 31 March 2017 included (i) the revaluation gain of the JSSI Property of approximately JPY35.7 million during the year ended 31 March 2017; and (ii) the recognition of the deferred tax liability of approximately JPY18.3 million.

The unaudited net asset value of JSSI (adjusted for shareholders' loans) was approximately JPY303.0 million as at 31 March 2017 (equivalent to approximately HK$21.2 million as at the date of the JSSI Agreement).

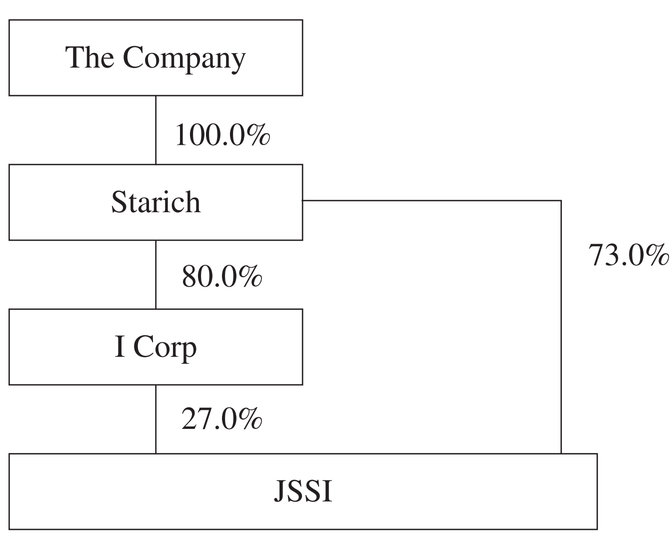
1.3 Impact of the Acquisition of the Group

Upon the JSSI Completion, the Group's attributable interest in JSSI will increase from approximately 86.5% to approximately 94.6%. After completion of the Previous Acquisition, JSSI became an indirectly held non wholly-owned subsidiary of the Company, and its financial results has been consolidated into the accounts of the Group.

Set out below is the shareholding structure of JSSI as at the date of this announcement.



Set out below is the shareholding structure of JSSI after the JSSI Completion.



2 REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is, through its operating subsidiaries, principally engaged in corporate finance in Hong Kong and property investment in Japan and Hong Kong. The Group has been investing in real estate in Japan since 2001. When investing in Japan properties, the Group's objective is to receive steady income or achieve capital appreciation, focusing on freehold properties in major cities and city centres or regional hubs in which the Group has at least a controlling interest.

Prior to the Acquisition, the proportion of nominal value of issued share capital and voting rights held by the Group (through Starich and I Corp) in JSSI was approximately 91.9%. The Acquisition represents an opportunity for the Group to further consolidate its interest in the JSSI Property. The Group will continue to lease out the JSSI Property after the Acquisition.

3 IMPLICATIONS UNDER THE GEM LISTING RULES

When aggregated with the Previous Acquisition (which was completed within a 12 months period) pursuant to Rules 19.22 and 19.23 of the GEM Listing Rules, the Proposed Acquisition will constitute a discloseable transaction under Rule 19.06(2) of the GEM Listing Rules, as one of the aggregated applicable percentage ratios of the Previous Acquisition and the Acquisition exceeds 5% and is less than 25%. The Acquisition will be subject to the reporting and announcement requirements but exempted from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

4 DEFINITIONS

In this announcement, the following terms have the meanings set out below unless the context requires otherwise:

"Acquisition"	the purchase of JSSI Sale Shares and JSSI Sale Loan by Starich from the Vendor contemplated under the JSSI Agreement
"associate"	has the meaning ascribed thereto under the GEM Listing Rules
"Company"	Altus Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM
"Director(s)"	director(s) of the Company
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM
"Group"	the Company and its subsidiaries
"I Corp"	I Corporation, a company incorporated in the British Virgin Islands with limited liability on 25 September 2000, a non-wholly-owned subsidiary of the Company that is owned as to 80.0% by Starich and 20.0% by Ms. Ho Shuk Yee, Samantha, a member of senior management of the Company and the spouse of Mr. Ip

"IFRS"	International Financial Reporting Standards
"Independent Third Party(ies)"	person(s) or company(ies) who/which is/are not connected with the Company and its connected persons
"JSSI"	Japan Special Situation Investment Limited, a company incorporated in the British Virgin Islands on 28 November 2001 with limited liability
"JSSI Agreement"	the sale and purchase agreement dated 26 June 2017 and entered into between Starich and the Vendor in relation to the Acquisition
"JSSI Completion"	completion pursuant to the JSSI Agreement
"JSSI Consideration"	the consideration payable by Starich under the JSSI Agreement
"JSSI Deed of Assignment"	the deed of assignment by which the Vendor assign all their rights, titles, benefits and interests in connection with the JSSI Sale Loan to Starich
"JSSI Property"	the property legally and beneficially owned by JSSI, situates at and is known as 250-47, Minami 36jo Nishi 10-chome, Minami-ku, Sapporo City, Hokkaido Prefecture, Japan
"JSSI Sale Loan"	the outstanding interest-free shareholders' loan in the an aggregate amount of JPY4,313,791, owning by JSSI to the Vendor as at the date of JSSI Completion
"JSSI Sale Shares"	the 300 shares of US$1.00 par value in JSSI, the subject of the Acquisition
"JSSI Settlement Date"	the date on which the JSSI Consideration is paid by Starich
"Mr. Ip"	Mr. Arnold Ip Tin Chee, an executive Director and a controlling Shareholder
"Previous Acquisition"	the acquisition of approximately 64.9% of the entire issued share capital of JSSI under a sale and purchase agreement dated 17 November 2016 entered into between the Company and the associated vendors. Details pertaining to this acquisition are set out in the announcement of the Company dated 17 November 2016.
"Shareholders	holders of shares in the Company
"Starich"	Starich Resources Limited, a company incorporated in the British Virgin Islands with limited liability on 28 February 2000, an indirectly wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary"	has the meaning ascribed thereto under the GEM Listing Rules
"Vendor"	an Independent Third Party, being the vendor of the JSSI Sale Shares under the JSSI Agreement
"%"	per cent.
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"JPY"	Japanese yen, the lawful currency of Japan

Conversion of JPY into HK$, and vice versa, is made in this announcement for illustration purposes only and unless otherwise stated, is based on the exchange rate of HK$0.0701 to JPY1.00 being the exchange rate as at the date of the JSSI Agreement. Such conversion shall not be construed as representation that any amount in HK$ and JPY were, may have been, or will be converted into those currencies, or vice versa, in the above rates or at any other rates.

By Order of the Board of
Altus Holdings Limited
Arnold Ip Tin Chee
Chairman

Hong Kong, 26 June 2017

As at the date of this announcement, the executive Directors are Mr. Arnold Ip Tin Chee and Mr. Chang Sean Pey and Ms. Leung Churk Yin Jeanny; and the independent non-executive Directors are Mr. Chao Tien Yo, Mr. Chan Sun Kwong and Mr. Lee Shu 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 document misleading.

This announcement will remain on the website of the GEM of the Stock Exchange at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at www.altus.com.hk.