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香港經濟日報集團有限公司

HONG KONG ECONOMIC TIMES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00423)

**DISCLOSEABLE TRANSACTION
IN RELATION TO ACQUISITION OF PROPERTIES**

The Board is pleased to announce that on 31 March 2017 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor entered into the Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the entire issued share capital and the shareholder's loan of Honley at a total Consideration of HK\$152,398,000. Honley, which is principally engaged in property investment in Hong Kong, is the sole legal and beneficial owner of the Property.

As the applicable Percentage Ratio(s) in relation to the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Rule 14.33 of the Listing Rules.

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THE AGREEMENT

Date

31 March 2017

Parties

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

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

Assets to be acquired

Pursuant to the Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Shares, representing the entire issued share capital of Honley and the Shareholder Loan owing by Honley to the Vendor on Completion. Honley, which is principally engaged in property investment in Hong Kong, is the sole legal and beneficial owner of the Property.

Consideration

The Consideration for the acquisition of the Sale Shares and the Shareholder Loan is HK\$152,398,000, of which the consideration for the Shareholder Loan shall be a sum equal to the principal amount of the Shareholder Loan on Completion and the balance shall be the consideration for the Sale Shares. The Consideration shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit of HK\$15,239,800 has been paid by the Purchaser to the Vendor upon signing of the Agreement; and
- (b) the balance of the Consideration of HK\$137,158,200 shall be payable by the Purchaser to the Vendor on Completion in the manner stipulated in the Agreement.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to (i) the prevailing market prices of properties of similar nature available in the localities; and (ii) the current Hong Kong property market sentiment. The Consideration will be funded by the Group's internal resources.

Conditions

Completion of the Acquisition is conditional upon the following Conditions being fulfilled or waived by the Purchaser on or before 2 Business Days prior to the Completion Date:

- (a) the result of the due diligence exercise carried out by the Purchaser on the respective financial, corporate, taxation and trading position, and title to the Property, being reasonably satisfactory to the Purchaser;
- (b) all necessary approval, permits, consents and authorizations having been obtained and maintained by the Parties for the Acquisition pursuant to applicable rules and regulations;
- (c) there will not be any material adverse change in the financial position of the Company from the date of the Agreement up to the Completion Date; and
- (d) the Vendor's Warranties set out in the Agreement having remained true and accurate in all material respects at all times from the date of the Agreement up to and including the Completion Date.

Completion

Completion shall take place on the Completion Date after the Conditions have been fulfilled or waived or such later day as the Parties may agree in writing.

INFORMATION ON THE PURCHASER, HONLEY AND THE PROPERTY

The Group is principally engaged in publishing, the provision of electronic financial and property market information services, the provision of training and recruitment advertising services and the operation of lifestyle portals.

Honley is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment in Hong Kong. The principal asset of Honley is the Property located at Workshops Nos. 5, 6, 7 (including the store room thereof), 8 and 9 on the 15th Floor of Kodak House II, No. 39 Healthy Street East, North Point, Hong Kong with a total gross floor area of approximately 20,507 square feet. The Group is currently leasing the Property from Honley for its use as office premises and data centre.

Financial Information on Honley

Based on the audited financial statements of Honley for each of the financial years ended 31 March 2016 and 2015, the audited net profit before taxation of Honley were HK\$4,188,000 and HK\$4,861,000 respectively and the audited net profit after taxation of Honley were HK\$3,594,000 and HK\$4,159,000 respectively.

The audited net asset value of Honley as at 31 March 2016 was HK\$16,580,000. According to the information provided by the Vendor, the original acquisition cost of the Property was approximately HK\$21,400,000.

Upon Completion, Honley will become a direct wholly-owned subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company.

REASONS FOR THE ACQUISITION

The Group is currently leasing the Property from Honley for its use as office premises and data centre. To cope with its rapid business development and expansion of the digital businesses under the financial news agency, information and solutions segment, the Group has invested over the years to build its own data centre at the premises of the Property. The Directors consider that it is in the interest of the Group to acquire the Property in order to secure the location site of the data centre and save future rental expenses.

The Board considers that the Acquisition and the terms of the Agreement including the Consideration are on normal commercial terms, fair and reasonable and in the interests of the Group and the Company's Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable Percentage Ratio(s) in relation to the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Rule 14.33 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares, representing the entire issued share capital of Honley and the Shareholder Loan owing by Honley to the Vendor on Completion by the Purchaser pursuant to the terms of the Agreement
“Agreement”	the sale and purchase agreement dated 31 March 2017 entered between the Parties in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“Company”	Hong Kong Economic Times Holdings Limited (香港經濟日報集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Accounts”	the unaudited financial statements of Honley commencing on the date immediately succeeding the date of the latest audited account and ending on the Completion Date
“Completion Date”	30 June 2017 or such other date as the Parties may agree in writing
“Conditions”	the conditions precedent to the Acquisition as set out in the Agreement, which are described in the section headed “Conditions” in this announcement
“Consideration”	the sum of HK\$152,398,000 payable by the Purchaser to the Vendor for the acquisition of the Sale Shares and the Shareholder Loan pursuant to the terms of the Agreement

“Director(s)”	the director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“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
“Honley”	Honley Limited (漢寧有限公司), a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendor as at the date of this announcement
“Independent Third Party”	individual or company which is independent of and not connected with (within the meaning of the Listing Rules) any member of the Group, the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the Agreement, i.e. the Vendor and the Purchaser
“Percentage Ratio(s)”	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
“Property”	Workshops Nos. 5, 6, 7 (including the store room thereof), 8 and 9 on the 15th Floor of Kodak House II, No. 39 Healthy Street East, North Point, Hong Kong
“Purchaser”	Hong Kong Economic Times Group (BVI) Limited, a company incorporated under the laws of the British Virgin Island with limited liability, a direct wholly-owned subsidiary of the Company as at the date of this announcement
“Sale Shares”	100 ordinary shares, representing the entire issued and fully paid up share capital of Honley

“Shareholder”	shareholder of the Company
“Shareholder Loan”	the loan or obligation owed by Honley to the Vendor which is unsecured, interest-free and has no fixed repayment terms as set out in the Completion Accounts
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Mr. Leong Ka Chai, the sole legal and beneficial owner of the Sale Shares and the Shareholder Loan
“Warranties”	the warranties, representations, indemnities and undertakings given or made by the Vendor contained in the Agreement and this announcement
“%”	per cent.

On Behalf of the Board
Hong Kong Economic Times Holdings Limited
Fung Siu Por, Lawrence
Chairman

Hong Kong, 31 March 2017

As at the date of this announcement, the Board comprises: (a) Executive Directors: Mr. Fung Siu Por, Lawrence, Mr. Mak Ping Leung (alias: Mr. Mak Wah Cheung), Mr. Chan Cho Biu, Mr. Shek Kang Chuen and Ms. See Sau Mei Salome; (b) Non-executive Director: Mr. Chu Yu Lun; and (c) Independent Non-executive Directors: Mr. Chow On Kiu, Professor Leung Gabriel Matthew, Mr. Lo Foo Cheung and Mr. O’Yang Wiley.

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