

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HING MING HOLDINGS LIMITED

興銘控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8425)

DISCLOSEABLE TRANSACTION IN RELATION TO SALE AND LEASEBACK ARRANGEMENTS

SALE AND LEASEBACK ARRANGEMENTS

The Board announces that, on 16 December 2021, Hing Ming Equipment, a wholly-owned subsidiary of the Company, entered into the Financing Agreements with Mitsubishi UFJ, pursuant to which Hing Ming Equipment agreed to sell the Machinery to Mitsubishi UFJ at a consideration of approximately HK\$7,775,000 and Mitsubishi UFJ agreed to leaseback the Machinery to Hing Ming Equipment for use and possession for a term of 36 months commencing 16 December 2021 for lease payments in aggregate of approximately HK\$8,452,000.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Sale and Leaseback Arrangements are above 5% but less than 25%, the Sale and Leaseback Arrangements constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board announces that, on 16 December 2021, Hing Ming Equipment, a wholly-owned subsidiary of the Company, entered into the Financing Agreements with Mitsubishi UFJ, pursuant to which Hing Ming Equipment agreed to sell the Machinery to Mitsubishi UFJ at a consideration of approximately HK\$7,775,000 and Mitsubishi UFJ agreed to leaseback the Machinery to Hing Ming Equipment for use and possession for a term of 36 months commencing 16 December 2021 for lease payments in aggregate of approximately HK\$8,452,000.

SALE AND LEASEBACK ARRANGEMENTS

The principal terms of the Financing Agreements are set out as follows:

(1) Purchase Agreement:

Date: 16 December 2021

Parties: (1) Hing Ming Equipment, as vendor; and
(2) Mitsubishi UFJ, as purchaser

(2) Lease Agreement:

Date: 16 December 2021

Parties: (1) Mitsubishi UFJ, as lessor;
(2) Hing Ming Equipment, as lessee; and
(3) the Company, as guarantor

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Mitsubishi UFJ and its ultimate beneficial owner(s) are third parties independent of and are not connected persons (as defined in the Listing Rules) of the Company.

Transfer of Ownership of Machinery

The Machinery represented a luffing jib tower crane which Hing Ming Equipment acquired from a supplier in 2019. The total cost of the Machinery was approximately HK\$9,372,000.

Based on the latest available information, the carrying value of the Machinery was approximately HK\$8,252,000.

Pursuant to the Purchase Agreement, Hing Ming Equipment will sell and Mitsubishi UFJ will purchase the Machinery owned by Hing Ming Equipment free from any title defects and encumbrances at an aggregate consideration of HK\$7,775,000, the consideration of which was determined after arm's length negotiation between Hing Ming Equipment and Mitsubishi UFJ with reference to (i) the carrying value of the Machinery; and (ii) the conditions of the Machinery at the material time.

The release of payment of consideration of the Machinery from Mitsubishi UFJ to Hing Ming Equipment is conditional upon the fulfillment of certain conditions including, among others, the corporate guarantee duly executed by the Company in favour of Mitsubishi UFJ.

Lease Period

Pursuant to the Financing Agreements, the Machinery is then leased back to Hing Ming Equipment for their use and possession for a term of 36 months commencing 16 December 2021.

Lease Payments

The aggregate amount of lease payment in respect of the Lease Agreement is estimated to be approximately HK\$8,452,000, which shall be paid by Hing Ming Equipment to Mitsubishi UFJ over the lease period of 36 months.

The total amount of lease payment represented the sum of relevant lease principal amount and the lease interest which is calculated by a fixed rate.

Termination and Purchase Option

Pursuant to the Lease Agreement, at the end of the lease period of 36 months commencing 16 December 2021, the ownership of the Machinery belongs to Mitsubishi UFJ, and Hing Ming Equipment may (i) continue the lease arrangement by paying a lease payment of approximately HK\$235,000 at the commencement of each successive period of one year thereafter; (ii) terminate the Lease Agreement by one month notice in writing to Mitsubishi UFJ; (iii) opt to purchase the Machinery by paying an option price of HK\$500; or (iv) appoint Mitsubishi UFJ by notice in writing to act as the agent of Hing Ming Equipment to sell the Machinery on behalf of Hing Ming Equipment, and Mitsubishi UFJ shall pay Hing Ming Equipment a sum equal to 95% of the net proceed realised from the sale of Machinery.

Corporate Guarantees

The Company, as guarantor, provides a corporate guarantee for an amount without limit in favour of Mitsubishi UFJ and, among others, guarantees the due and prompt payment, performance and discharge by Hing Ming Equipment of all its obligations under the Financing Agreements and compliance with all provisions thereof, including the payment of all instalments due thereunder.

INFORMATION OF HING MING EQUIPMENT AND MITSUBISHI UFJ

Hing Ming Equipment is a wholly-owned subsidiary of the Company and is principally engaged in construction consulting and project management in Hong Kong.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Mitsubishi UFJ is a company incorporated in Hong Kong with limited liabilities which is wholly-owned by Mitsubishi HC Capital Inc., a company listed on Tokyo Stock Exchange (stock code: 8593.TYO). The principal business activity of the Mitsubishi UFJ is providing various types of financing, leases and instalment sales.

REASONS FOR AND BENEFITS OF THE SALE AND LEASEBACK ARRANGEMENTS

The Directors are of the view that the Sale and Leaseback Arrangements are entered into in the ordinary and usual course of business and is consistent with the Group's business development strategy. The Sale and Leaseback Arrangements will increase the general working capital of Hing Ming Equipment.

The Directors are of the view that the terms of the Financing Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEED

It is expected that the consideration from the sale of the Machinery will be applied towards the general working capital of Hing Ming Equipment.

FINANCIAL EFFECT OF SALE AND LEASEBACK ARRANGEMENTS

Based on the consideration from the sale of the Machinery and the carrying value of the Machinery, it is expected that the Group will record a loss of approximately HK\$477,000 pursuant to the sale of Machinery under the Sale and Leaseback Arrangements. Subject to audit and adjustment, the actual amount of loss from disposal of the Machinery to be recognised by the Group will be depends on the carrying value of the Machinery and therefore may be different from the amount as set out as above.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios (as defined under the Listing Rules) are more than 5% but all of the ratios are less than 25%, the Sale and Leaseback Arrangements constitute a discloseable transaction for the Company which is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Hing Ming Holdings Limited (興銘控股有限公司), a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on GEM (Stock Code: 8425.HK)
“Director(s)”	the Director(s) of the Company

“Financing Agreements”	agreements in relation to the financing by way of sale and leaseback of the Machinery under the (i) Lease Agreement; and (ii) Purchase Agreement
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Lease Agreement”	the lease agreement dated 16 December 2021 entered into between Hing Ming Equipment as lessee, Company as guarantor and Mitsubishi UFJ as lessor for the lease of the Machinery
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Machinery”	A luffing jib tower crane as referred to in the Financing Agreements
“Mitsubishi UFJ”	Mitsubishi UFJ Lease & Finance (Hong Kong) Limited (三菱日聯租賃(香港)有限公司) is a company incorporated in Hong Kong with limited liabilities which is wholly-owned subsidiary by Mitsubishi HC Capital Inc., a company listed on Tokyo Stock Exchange (stock code: 8593.TYO).
“Hing Ming Equipment”	Hing Ming Equipment Company Limited (興銘設備有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“PRC”	The People’s Republic of China
“Purchase Agreements”	the purchase agreements dated 16 December 2021, entered into between Hing Ming Equipment as vendor (and subsequently as lessee pursuant to the Lease Agreement) and Mitsubishi UFJ as purchaser and subsequently the lessor for (i) purchase of the Machinery by Mitsubishi UFJ from Hing Ming Equipment; and (ii) lease of the Machinery by Hing Ming Equipment from Mitsubishi UFJ (pursuant to the Lease Agreement)
“Sale and Leaseback Arrangements”	the sale and leaseback arrangements as contemplated under the Financing Agreements
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent.

By Order of the Board
Hing Ming Holdings Limited
Tang Hing Keung
Chairman, Chief Executive Officer and Director

Hong Kong, 16 December 2021

As at the date of this announcement, the executive Directors are Mr. Tang Hing Keung (Chairman and Chief Executive Officer), Ms. Woo Lan Ying (Vice Chairman) and Mr. Tang Ming Hei; the non-executive Directors are Ms. Au Fung Yee and Mr. Au Lop Wah Edmond; and the independent non-executive Directors are Mr. Kwan Woon Man Boris, Mr. Chiu Chi Wing, Ms. Li Kai Lai Miranda and Mr. Yeung Chi Fai.

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 “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at www.hing-ming.com.