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Hysan Development Company Limited

希慎興業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 00014)

Connected Transactions Disposal of Residential Units at Bamboo Grove

The Board announces that on 3 October 2025, Kwong Wan (a wholly-owned subsidiary of the Company) as vendor entered into the Agreements with the purchasers respectively, pursuant to which:

- (i) Kwong Wan agreed to sell to Purchaser A, and Purchaser A agreed to purchase from Kwong Wan, Unit 1 at a consideration of HK\$56,390,000 in accordance with the terms and conditions of Agreement 1; and
- (ii) Kwong Wan agreed to sell to Purchaser B, and Purchaser B agreed to purchase from Kwong Wan, Unit 2 and Unit 3 at a total consideration of HK\$77,230,000 in accordance with the terms and conditions of Agreement 2.

Purchaser A is wholly-owned by the spouse of Mr. Lee Chien, a Non-Executive Director. Purchaser B is the son of Ms. Lee Irene Yun-Lien, chairman of the Company. Hence, Purchaser A and Purchaser B are connected persons of the Company under the Listing Rules. The entering of the Agreements therefore constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Disposals on a standalone or aggregated basis exceed 0.1% and all of the applicable percentage ratios are less than 5%, the Disposals are only subject to the announcement and reporting requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board announces that on 3 October 2025, Kwong Wan (a wholly-owned subsidiary of the Company) as vendor entered into the Agreements with the purchasers respectively, pursuant to which:

- (i) Kwong Wan agreed to sell to Purchaser A, and Purchaser A agreed to purchase from Kwong Wan, Unit 1 at a consideration of HK\$56,390,000 in accordance with the terms and conditions of Agreement 1; and

- (ii) Kwong Wan agreed to sell to Purchaser B, and Purchaser B agreed to purchase from Kwong Wan, Unit 2 and Unit 3 at a total consideration of HK\$77,230,000 in accordance with the terms and conditions of Agreement 2.

Principal terms of the Agreements are set out below.

PRINCIPAL TERMS OF AGREEMENT 1

1. Date : 3 October 2025
2. Parties : (a) Kwong Wan as vendor
(b) Purchaser A as purchaser
3. Unit 1 : A residential unit of Bamboo Grove with a saleable area of approximately 2,191 square feet.
4. Consideration and payment terms : The consideration for the disposal of Unit 1 is HK\$56,390,000 and shall be payable by Purchaser A to Kwong Wan in the following manner:
 - (a) an initial deposit of HK\$2,819,500 (which is equivalent to 5% of the consideration) was paid upon the signing of Agreement 1;
 - (b) a further deposit of HK\$2,819,500 (which, together with the initial deposit in (a) above, is equivalent to 10% of the consideration) is to be paid on or before 17 October 2025; and
 - (c) the balance of the consideration is to be paid on or before 2 January 2026, being the date of completion of the sale and purchase of Unit 1.

The consideration for the disposal of Unit 1 was determined having taken into account, among others, the prevailing market price of comparable prime residential properties in nearby locations; and the valuation of Unit 1 of HK\$55,100,000 as at 31 July 2025 appraised by the Independent Property Valuer.
5. Date of signing of the formal agreement for sale and purchase : On or before 17 October 2025
6. Completion date : On or before 2 January 2026
7. Vacant possession and on "as is" basis : Unit 1 is sold with vacant possession and on an "as is" basis.

PRINCIPAL TERMS OF AGREEMENT 2

1. Date : 3 October 2025
2. Parties : (a) Kwong Wan as vendor
(b) Purchaser B as purchaser
3. Unit 2 and Unit 3 : Unit 2:
A residential unit of Bamboo Grove with a saleable area of approximately 1,451 square feet.

: Unit 3:
A residential unit of Bamboo Grove with a saleable area of approximately 1,503 square feet.
4. Consideration and payment terms : The total consideration for the disposal of Unit 2 and Unit 3 is HK\$77,230,000 and shall be payable by Purchaser B to Kwong Wan in the following manner:
 - (a) an initial deposit of HK\$3,861,500 (which is equivalent to 5% of the total consideration) was paid upon the signing of Agreement 2;
 - (b) a further deposit of HK\$3,861,500 (which, together with the initial deposit in (a) above, is equivalent to 10% of the total consideration) is to be paid on or before 3 November 2025; and
 - (c) the balance of the total consideration is to be paid on or before 30 June 2026, being the date of completion of the sale and purchase of Unit 2 and Unit 3.

The total consideration for the disposal of Unit 2 and Unit 3 was determined having taken into account, among others, the prevailing market price of comparable prime residential properties in nearby locations; and the total valuation of Unit 2 and Unit 3 of HK\$73,580,000 as at 31 July 2025 appraised by the Independent Property Valuer.
5. Date of signing of the formal agreement for sale and purchase : On or before 3 November 2025
6. Completion date : On or before 30 June 2026
7. Vacant possession and on “as is” basis : Both Unit 2 and Unit 3 are sold with vacant possession and on an “as is” basis.

INFORMATION ON THE UNITS

The net rental incomes attributable to the Units for the two financial years ended 31 December 2024 and 31 December 2023 were as follows:

	For the year ended 31 December	
	2024	2023
	HK\$	HK\$
	(approximately)	(approximately)
<u>Unit 1</u>		
Net profit before taxation	1,170,000	1,170,000
Net profit after taxation	977,000	977,000
<u>Unit 2</u>		
Net profit before taxation	423,000	0
Net profit after taxation	353,000	0
<u>Unit 3</u>		
Net profit before taxation	780,000	787,000
Net profit after taxation	652,000	657,000

As at 30 June 2025, the book values of the Units were as follows:

	As at 30 June 2025
	HK\$
	(approximately)
Unit 1	36,177,000
Unit 2	23,642,000
Unit 3	24,533,000

FINANCIAL EFFECT OF THE DISPOSALS

The Disposals are expected to accrue a total gain of approximately HK\$49,268,000 for the Hysan Group, which is calculated based on the total consideration of the Units under the Agreements, less the estimated total book value of the Units recorded in the financial statements of the Hysan Group on the completion date. The net sales proceeds from the Disposals are intended to be used as the general working capital of the Hysan Group.

REASONS FOR AND BENEFITS OF THE DISPOSALS

Bamboo Grove, a residential development by the Hysan Group, is situated in a prime location on Kennedy Road at Mid-Levels, Hong Kong. The development comprises 6 blocks of a total of 345 residential units and 436 carparking spaces. It has been held by the Hysan Group for leasing purposes. Since August 2025, the Hysan Group has initiated a phased sale of the residential units in 2 blocks of Bamboo Grove (of which the Units form part) along with a portion of the carparking spaces. The initiative is part of the Hysan Group's capital recycling programme designed to achieve three principal objectives: (i) optimising Hysan Group's capital structure through deleveraging; (ii) unlocking value from mature non-core residential assets; and (iii) redeploying capital toward strategic priorities.

The Board (including the Independent Non-Executive Directors, and excluding Ms. Lee Irene Yun-Lien, Mr. Lee Chien, Mr. Lee Anthony Hsien Pin and Mr. Lee Tze Hau Michael who had abstained from voting on the relevant Board resolution approving the Disposals) considers that each of Disposal 1 and Disposal 2 is on normal commercial terms and was entered into in the ordinary and usual course of business of the Hysan Group, and the terms of each of Agreement 1 and Agreement 2 are fair and reasonable and in the interests of the Hysan Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Purchaser A is wholly-owned by the spouse of Mr. Lee Chien, a Non-Executive Director. Purchaser B is the son of Ms. Lee Irene Yun-Lien, chairman of the Company. Hence, Purchaser A and Purchaser B are connected persons of the Company under the Listing Rules. The entering of the Agreements therefore constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Disposals on a standalone or aggregated basis exceed 0.1% and all of the applicable percentage ratios are less than 5%, the Disposals are only subject to the announcement and reporting requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Purchaser A is wholly-owned by the spouse of Mr. Lee Chien, who is a Non-Executive Director and a member of the Lee family, he has a material interest in Disposal 1 and abstained from voting on the relevant Board resolution approving such disposals. While Mr. Lee Chien has no material interest in Disposal 2, as a member of the Lee family, he has voluntarily abstained from voting on the relevant Board resolution approving Disposal 2.

As Purchaser B is the son of Ms. Lee Irene Yun-Lien, who is the chairman of the Company and a member of the Lee family, she has a material interest in Disposal 2 and abstained from voting on the relevant Board resolution approving such disposals. While Ms. Lee Irene Yun-Lien has no material interest in Disposal 1, as a member of the Lee family, she has voluntarily abstained from voting on the relevant Board resolution approving Disposal 1.

While Mr. Lee Anthony Hsien Pin and Mr. Lee Tze Hau Michael, Non-Executive Directors, have no material interest in any of the Disposals, they are members of the Lee family and thus voluntarily abstained from voting on the relevant Board resolution approving the Disposals.

INFORMATION ON THE HYSAN GROUP, KWONG WAN AND PURCHASER A

Hysan Group's principal businesses are property investment, management and development. Hysan Group has a sizeable property portfolio in Hong Kong with one of its core businesses in property leasing.

Kwong Wan's principal business is property investment.

Purchaser A is wholly-owned by Ms. Chou Hok Yee Kitty and its principal business is investment holding.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Agreements”	Agreement 1 and Agreement 2 collectively;
“Agreement 1”	the preliminary agreement for sale and purchase dated 3 October 2025 entered into between Kwong Wan as vendor and Purchaser A as purchaser in relation to the sale and purchase of Unit 1;
“Agreement 2”	the preliminary agreement for sale and purchase dated 3 October 2025 entered into between Kwong Wan as vendor and Purchaser B as purchaser in relation to the sale and purchase of Unit 2 and Unit 3;
“Bamboo Grove”	Bamboo Grove (竹林苑), Nos. 74-86 Kennedy Road, Hong Kong;
“Board”	the board of Directors;
“connected person”	shall have the same meaning ascribed to such term in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposals”	Disposal 1 and Disposal 2 collectively;
“Disposal 1”	the sale of Unit 1 by Kwong Wan to Purchaser A;
“Disposal 2”	the sale of Unit 2 and Unit 3 by Kwong Wan to Purchaser B;
“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;
“Hysan” or “Company”	Hysan Development Company Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 00014);
“Hysan Group”	Hysan and its subsidiaries;
“Independent Property Valuer”	Savills Valuation And Professional Services Limited, an independent property valuer engaged by the Hysan Group;
“Kwong Wan”	Kwong Wan Realty Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability and the registered owner of Bamboo Grove;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“Purchaser A”	Sharp Focus Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Ms. Chou Hok Yee Kitty, spouse of Mr. Lee Chien;
“Purchaser B”	Mr. Nicolas Hugh Ingram, son of Ms. Lee Irene Yun-Lien;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Units”	Unit 1, Unit 2 and Unit 3 collectively;
“Unit 1”	a residential unit at Bamboo Grove with a saleable area of approximately 2,191 square feet;
“Unit 2”	a residential unit at Bamboo Grove with a saleable area of approximately 1,451 square feet; and
“Unit 3”	a residential unit at Bamboo Grove with a saleable area of approximately 1,503 square feet.

By Order of the Board
Lee Irene Yun-Lien
Chairman

Hong Kong, 3 October 2025

*As at the date of this announcement, the Board comprises: Lee Irene Yun-Lien (Chairman), Lui Kon Wai (Executive Director and Chief Operating Officer), Chung Cordelia**, Churchouse Frederick Peter**, Wong Ching Ying Belinda**, Young Elaine Carole**, Zhang Yong**, Lee Anthony Hsien Pin* (Lee Irene Yun-Lien as his alternate), Lee Chien* and Lee Tze Hau Michael*.*

* *Non-Executive Directors*

** *Independent Non-Executive Directors*

This announcement is published on the websites of the Company (www.hysan.com.hk) and the Stock Exchange (www.hkexnews.hk).