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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 Transaction Disposal of Residential Unit at Bamboo Grove

The Board announces that on 24 October 2025, Kwong Wan (a wholly-owned subsidiary of the Company) as vendor entered into the Agreement with the Purchaser, pursuant to which Kwong Wan agreed to sell to the Purchaser, and the Purchaser agreed to purchase from Kwong Wan, the Unit at a consideration of HK\$53,540,000 in accordance with the terms and conditions of the Agreement.

The Purchaser is wholly-owned by Mr. Zhang Yong, an independent non-executive Director. Hence, the Purchaser is a connected person of the Company under the Listing Rules and the entering into of the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

INTRODUCTION

The Board announces that on 24 October 2025, Kwong Wan (a wholly-owned subsidiary of the Company) as vendor entered into the Agreement with the Purchaser, pursuant to which Kwong Wan agreed to sell to the Purchaser, and the Purchaser agreed to purchase from Kwong Wan, the Unit at a consideration of HK\$53,540,000 in accordance with the terms and conditions of the Agreement.

Principal terms of the Agreement are set out below.

PRINCIPAL TERMS OF THE AGREEMENT

1. Date : 24 October 2025
2. Parties : (a) Kwong Wan as vendor
(b) The Purchaser as purchaser

3. Unit : A residential unit of Bamboo Grove with a saleable area of approximately 2,084 square feet.
4. Consideration and payment terms : The consideration for the disposal of the Unit is HK\$53,540,000 and shall be payable by the Purchaser to Kwong Wan in the following manner:
- (a) an initial deposit of HK\$2,677,000 (which is equivalent to 5% of the consideration) was paid upon the signing of the Agreement;
 - (b) a further deposit of HK\$2,677,000 (which, together with the initial deposit in (a) above, is equivalent to 10% of the consideration) is to be paid on or before 7 November 2025; and
 - (c) the balance of the consideration is to be paid on or before 24 January 2026, being the date of completion of the sale and purchase of the Unit.
- The consideration for the disposal of the Unit was determined having taken into account, among others, the prevailing market price of comparable prime residential properties in nearby locations; and the valuation of the Unit of HK\$52,260,000 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 7 November 2025
6. Completion date : On or before 24 January 2026
7. Vacant possession and on “as is” basis : The Unit is sold with vacant possession and on an “as is” basis.

INFORMATION ON THE UNIT

The net rental incomes attributable to the Unit 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>The Unit</u>		
Net rental income before taxation	1,219,000	806,000
Net rental income after taxation	1,018,000	673,000

As at 30 June 2025, the book value of the Unit was approximately HK\$34,313,000.

FINANCIAL EFFECT OF THE DISPOSAL

The Disposal is expected to accrue a total gain of approximately HK\$19,300,000 for the Hysan Group, which is calculated based on the consideration of the Unit under the Agreement, less the estimated book value of the Unit recorded in the financial statements of the Hysan Group on the completion date. The net sales proceed from the Disposal is intended to be used as the general working capital of the Hysan Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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 Unit forms 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, other than Mr. Zhang Yong who had abstained from voting on the relevant Board resolution approving the Disposal) considers that the Disposal 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 the Agreement are fair and reasonable and in the interests of the Hysan Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

The Purchaser is wholly-owned by Mr. Zhang Yong, an independent non-executive Director. Hence, the Purchaser is a connected person of the Company under the Listing Rules and the entering into of the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

As the Purchaser is wholly-owned by Mr. Zhang Yong, who is an independent non-executive Director, he has a material interest in the Disposal and abstained from voting on the relevant Board resolution approving the Disposal.

INFORMATION ON THE HYSAN GROUP, KWONG WAN AND PURCHASER

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.

The Purchaser is wholly-owned by Mr. Zhang Yong and its principal business is investment holding.

DEFINITIONS

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

“Agreement”	the preliminary agreement for sale and purchase dated 24 October 2025 entered into between Kwong Wan as vendor and the Purchaser as purchaser in relation to the sale and purchase of the Unit;
“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;
“Disposal”	the sale of the Unit by Kwong Wan to the Purchaser;
“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 ”	Verdant Peak Investment Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Zhang Yong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Unit”	a residential unit at Bamboo Grove with a saleable area of approximately 2,084 square feet.

By Order of the Board
Lee Irene Yun-Lien
Chairman

Hong Kong, 24 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).