

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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.



Milestone Builder Holdings Limited

進階發展集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1667)

INSIDE INFORMATION

(I) LETTER OF INTENT IN RELATION TO THE POSSIBLE ACQUISITION; (II) POTENTIAL NEW BUSINESS DEVELOPMENT AND RESUMPTION OF TRADING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The board of directors of the Company is pleased to announce that on 25 January 2018 (after trading hours on the Stock Exchange), one of the subsidiaries of the Company, presented a Letter of Intent to the Vendor in relation to the Possible Acquisition.

The Letter of Intent is non-legally binding save for the provisions relating to, among other things, usage of the Land, due diligence, confidentiality and the governing law of the Letter of Intent.

The board of directors of the Company wishes to emphasize that the Letter of Intent may or may not lead to any Formal Agreement. If the Possible Acquisition materializes, it is likely to constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. As the Vendor is an independent third party, there are not anticipated to be any connected transaction implications. The Company will comply with the relevant requirements of the Listing Rules when any Formal Agreement in relation to the Possible Acquisition is entered into or the Letter of Intent is terminated or there are any material developments with respect to the Possible Acquisition. As such, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

THE POSSIBLE ACQUISITION

The board of directors of the Company is pleased to announce that on 25 January 2018 (after trading hours on the Stock Exchange), one of the subsidiaries of the Company, presented a Letter of Intent to the Vendor in relation to the Possible Acquisition.

THE LETTER OF INTENT

Date: 25 January 2018, after trading hours

Parties: (a) one of the subsidiaries of the Company, being the Purchaser; and
(b) a joint-stock corporation (Kabushiki-Kaisha) incorporated in Japan, being the Vendor

To the best knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, the Vendor is a third party independent of and not connected with the Company and its connected persons (as defined under the Listing Rules).

MAJOR TERMS OF THE LETTER OF INTENT

The Letter of Intent contemplates the prospective purchase by the Purchaser to the Vendor who holds the legal and beneficial ownership of the Land in Osaka, Japan.

The Letter of Intent contemplates further that the consideration for the Possible Acquisition be initially set at 220,000,000 Japanese Yen (equivalent to approximately HK\$15,719,000). The consideration for the Possible Acquisition and the manner of payment shall be further negotiated between the Vendor and the Purchaser and be determined upon the signing of the Formal Agreement.

Save for provisions relating to, among other things, the usage of the Land to be as simple lodge for guests staying in Japan, due diligence, the opportunity for both parties to negotiate the Formal Agreement, confidentiality and the governing law, the Letter of Intent does not constitute a legally-binding commitment on the Vendor or the Purchaser in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

REASONS FOR THE POTENTIAL NEW BUSINESS DEVELOPMENT AND POSSIBLE ACQUISITION

The Board of Directors of the Company considers that the Possible Acquisition provides an attractive opportunity to commence and develop property development business in Japan, which may include, but not limited to, (i) property consolidation, assembly and redevelopments; (ii) property trading and/or investment; and (iii) hospitality management business (the "Potential New Business"). The Board intends to develop the Potential New Business through self-development of the subsidiaries, and/or investment(s) in suitable targets/assets, and/or through co-operation by way of joint venture(s) with other parties.

The Board has been actively exploring other business opportunities in order to diversify the existing business of the Group and to explore new markets with significant growth potential. The Board considers that the development of the Potential New Business would allow the Group to leverage on its existing experiences in building construction services as well as alternation, addition, fitting-out works and building services.

Notwithstanding the Group's intention to explore the Potential New Business, the existing principal business of the Group in the provision of (i) building construction services; (ii) alteration, addition, fitting-out works and building services; and (iii) repair and restoration of historic buildings in Hong Kong, will continue to be the core business of the Group.

The Board expects that the Potential New Business will enable the Group to expand its business portfolio, diversify its income source and possibly enhance its financial performance. Further announcement regarding the Potential New Business will be made by the Company as and when appropriate in compliance with the Listing Rules.

RESUMPTION OF TRADING

Trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been halted since 29 January 2018 at 9:00 a.m. Application has been made to the Stock Exchange for resumption of trading of the shares of the Company with effect from 9:00 a.m. on 30 January 2018.

The board of directors of the Company wishes to emphasize that the Letter of Intent may or may not lead to any Formal Agreement. If the Possible Acquisition materializes, it is likely to constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. As the Vendor is an independent third party, there are not anticipated to be any connected transaction implications. The Company will comply with the relevant requirements of the Listing Rules when any Formal Agreement in relation to the Possible Acquisition is entered into or the Letter of Intent is terminated or there are any material developments with respect to the Possible Acquisition. As such, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Company”	Milestone Builder Holdings Limited (stock code: 1667), a company incorporated in the Cayman Island with limited liability, the securities of which are listed on the main board the Stock Exchange
“Formal Agreement”	any formal sale and purchase agreement in relation to the Possible Acquisition
“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
“Japanese Yen”	Japanese Yen, the lawful currency of Japan
“Land”	the land located at 1-25, Kitakawahoricho, Tennoji-ku, Osaka, Japan
“Letter of Intent”	the letter of intent dated 25 January 2018 presented by the Purchaser to the Vendor relating to the Possible Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Acquisition”	the possible acquisition by the Purchaser from the Vendor who holds the legal and beneficial ownership of the piece of Land
“Purchaser”	one of the subsidiaries of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong as amended and supplemented from time to time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	A joint-stock corporation (Kabushiki-Kaisha) incorporated in Japan, an independent third party and not connected with the Company and its connected persons

By Order of the Board
Leung Kam Fai
Chairman and Executive Director

Hong Kong, 29 January 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Leung Kam Fai and Mr. Lam Ka Ho as executive Directors; Mr. Keung Kwok Hung, Mr. Fong Man Fu Eric and Ms. Lau Suk Han Loretta as independent non-executive Directors.