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# **HYPEBEAST**

## **Hypebeast Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00150)**

### **DISCLOSEABLE TRANSACTION CONSTRUCTION CONTRACT IN RELATION TO THE RENOVATION OF THE NEW YORK PREMISES**

#### **CONSTRUCTION CONTRACT IN RELATION TO THE RENOVATION OF THE NEW YORK PREMISES**

On 14 April 2021, HBX 41 (a wholly-owned subsidiary of the Company) entered into the Construction Contract with the Contractor (an Independent Third Party), pursuant to which the Contractor shall execute the Renovation Works in relation to the New York Premises at a total contract sum of US\$3,391,468.

Pursuant to the Construction Contract, the Renovation Works for the New York Premises are currently expected to be substantially completed by 22 October 2021. Upon completion of the Renovation Works, the New York Premises will be used for the Group's retail business and general office space in New York, U.S.A..

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Construction Contract exceeds 5% but are less than 25%, the transaction contemplated under the Construction Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **CONSTRUCTION CONTRACT IN RELATION TO THE RENOVATION OF THE NEW YORK PREMISES**

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### **PRINCIPAL TERMS OF THE CONSTRUCTION CONTRACT**

Summarised below are the principal terms of the Construction Contract:

- Date** : 14 April 2021
- Parties** : (1) HBX 41; and  
(2) the Contractor.
- Scope of Renovation Works** : Construction and services for the New York Premises as detailed in the Construction Contract, whether completed or partially completed, including all other labour, materials, equipment and services, in relation to (i) demo & carpentry; (ii) millwork; (iii) glazing; (iv) plumbing; (v) sprinklers; (vi) electrical; (vii) mechanical; and (viii) fire alarm & security gate-related works. HBX 41 may order changes to the works within the general scope of the Construction Contract.
- Substantial Completion Date** : The Architect will make an inspection to determine whether the Renovation Works or designated portion thereof are/is substantially complete. When the Architect determines that the Renovation Works or a designated portion thereof are/is substantially complete, the Architect will prepare a certificate of substantial completion to HBX 41 and the Contractor which shall establish the date of substantial completion.

Subject to adjustments of the contract time as provided in the Construction Contract, the Contractor shall achieve substantial completion in relation to the following works of the Renovation Works for the New York Premises by:

- (1) Demo & carpentry: 22 October 2021;
- (2) Millwork: 22 September 2021;
- (3) Glazing: 28 September 2021;
- (4) Plumbing: 15 September 2021;
- (5) Sprinkler: 15 September 2021;
- (6) Electrical: 30 September 2021;
- (7) Mechanical: 14 October 2021; and
- (8) Fire alarm & Security gate: 15 October 2021.

Accordingly, it is expected that substantial completion of the entire Renovation Works shall be achieved not later than 180 calendar days from the commencement date of the Renovation Works (i.e. estimated by 22 October 2021).

**Contract sum** : The total contract sum payable by HBX 41 to the Contractor shall be US\$3,391,468, subject to additions and deductions as provided in the Construction Contract.

**Payment terms** : 20% of the total contract sum shall be paid to the Contractor as an advance deposit within 14 days upon the Parties signing the Construction Contract.

80% of the total contract sum shall be paid in proportion to the progress of each task(s) undertaken during that month based on the project programme under the Construction Contract. Progress payments shall be paid based on applications for payment prepared by the Contractor in accordance with the schedule of values for completed portions of the Renovation Works and submitted to the Architect together with other supporting documents. The Architect shall issue to HBX 41 a certificate for payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, upon the Architect's view that the Renovation Works have progressed to the point indicated, the quality of the Renovation Works are in accordance with the Construction Contract and the Contractor is entitled to payment in the amount certified.

For (i) the payment of the advance deposit and (ii) each progress payment, HBX 41 has the right to retain 5% from the amount otherwise due as retainage. Upon the issuance of the certificate of substantial completion to HBX 41 and the Contractor, HBX 41 shall make payment of retainage applying to the Renovation Works or a designated portion thereof in accordance with the terms of the Construction Contract.

The final payment of the entire balance found to be due to the Contractor and noted in a final certificate for payment will be payable when (i) the Contractor has fully completed the Renovation Works in accordance with the terms of the Construction Contract and has made a final application for payment; and (ii) the final certificate for payment has been issued by the Architect upon its final inspection and finding that the Renovation Works are acceptable and fully performed in accordance with the terms of the Construction Contract.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 September 2015. The principal activity of the Company is investment holding.

The Group's principal activities are the provision of advertising services to brand owners and advertising agencies on the Group's digital media platforms, and the sale of third-party branded clothing, shoes and accessories on the Group's e-commerce platform.

## **INFORMATION ON THE NEW YORK PREMISES AND HBX 41**

As disclosed in the announcement of the Company issued on 9 November 2020, the New York Premises (i) is situated on the Basement, Ground Floor, 2nd Floor, 3rd Floor, 4th Floor, 5th Floor, 6th Floor and 7th Floor of the building located at 41-43 Division Street, New York, New York 10002, U.S.A., which is on leasehold interests held by HBX 41, and the expiry date of the current lease agreement is 31 July 2027; and (ii) will be used for the Group's retail business and general office space in New York, U.S.A..

HBX 41 is a company incorporated in New York with limited liability and is a wholly-owned subsidiary of the Company. HBX 41 is currently inactive and will be principally engaged in the retail business in New York, U.S.A..

## **INFORMATION ON THE CONTRACTOR**

The Contractor is principally engaged in the provision of construction services. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Contractor and its ultimate beneficial owner(s) are Independent Third Parties.

The Contractor was selected by HBX 41 as the contractor after due and careful consideration, after taking into account a number of factors, including the reputation and experience of the Contractor in relation to its provision of construction services.

## **VALUE OF CONSIDERATION**

The aggregate value of the consideration payable under the Construction Contract is US\$3,391,468, which will be funded by the Group's internal resources.

The consideration was determined after arm's length negotiations between HBX 41 and the Contractor and on normal commercial terms with reference to bid levelling report regarding potential contractors for the Renovation Works.

## **REASONS AND BENEFITS FOR ENTERING INTO THE CONSTRUCTION CONTRACT**

The entering into the Construction Contract is for the Renovation Works of the New York Premises. Upon completion of the Renovation Works, the New York Premises will be used for the Group's retail business and general office space in New York, U.S.A..

The Directors (including independent non-executive Directors), having reviewed and approved the Construction Contract, are of the view that the terms of the Construction Contract are on normal commercial terms and are fair and reasonable and entering into of the Construction Contract is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Construction Contract exceeds 5% but are less than 25%, the transaction contemplated under the Construction Contract constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Architect”	an architect or entity retained or to be retained by HBX 41 in accordance with the Construction Contract, which shall be lawfully licensed to practice architecture in New York
“Board”	the board of Directors
“Company”	Hypebeast Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the main board of the Stock Exchange (stock code: 00150)

“Construction Contract”	the agreement (including all contract documents comprised therein) dated 14 April 2021 and entered into between HBX 41 and the Contractor in respect of the Renovation Works to be carried out at the New York Premises, the principal terms of which are set out in the section headed “Principal Terms of the Construction Contract” of this announcement
“Contractor”	Skyland Development Corp d.b.a Skyland Construction, a company incorporated in New York with limited liability and an Independent Third Party
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HBX 41”	HBX 41 Division LLC, a company incorporated in New York with limited liability and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New York”	New York City, U.S.A.
“New York Premises”	the Basement, Ground Floor, 2nd Floor, 3rd Floor, 4th Floor, 5th Floor, 6th Floor and 7th Floor of the building located at 41-43 Division Street, New York, New York 10002, U.S.A., which will be used for the Group’s retail business and general office space in New York, U.S.A.

“Party(ies)”	the party(ies) to the Construction Contract, being HBX 41 or/(and) the Contractor
“Renovation Works”	the renovation works in respect of the New York Premises to be executed by the Contractor pursuant to the Construction Contract as described in the paragraph headed “Scope of Renovation Works” under the section headed “Principal Terms of the Construction Contract” of this announcement
“Shareholder(s)”	the holder(s) of shares issued by the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“U.S.A.”	the United States of America
“US\$”	US Dollars, the lawful currency of U.S.A.
“%”	per cent

By Order of the Board  
**Hypebeast Limited**  
**Ma Pak Wing Kevin**  
*Chairman*

Hong Kong, 14 April 2021

*As at the date of this announcement, the executive Directors are Mr. Ma Pak Wing Kevin and Ms. Lee Yuen Tung Janice; and the independent non-executive Directors are Ms. Kwan Shin Luen Susanna, Ms. Poon Lai King and Mr. Wong Kai Chi.*