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**Great Wall Belt & Road Holdings Limited**  
**長城一帶一路控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 524)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF 14.8% EQUITY INTERESTS IN**  
**A SINGAPOREAN COMPANY**  
**AND**  
**BUSINESS UPDATE**

On 5 February 2021 (after trading hours), ZONE Asia (a wholly-owned subsidiary of the Company) entered into the Agreement with Mr. Tan pursuant to which Mr. Tan agreed to purchase the Sale Shares from ZONE Asia for S\$150,000 (approximately HK\$868,500). After Completion, the Group will cease to have any equity interest in Zero1.

As the highest of all applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 5 February 2021 (after trading hours), ZONE Asia (a wholly-owned subsidiary of the Company) entered into the Agreement with Mr. Tan pursuant to which Mr. Tan agreed to purchase the Sale Shares from ZONE Asia for S\$150,000 (approximately HK\$868,500). After Completion, the Group will cease to have any equity interest in Zero1.

## THE AGREEMENT

The principal terms of the Agreement are summarised below:

Date : 5 February 2021

Parties : (i) ZONE Asia as vendor; and  
(ii) Mr. Tan as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, apart from the fact that Mr. Tan is the sole director of Zero1 and owns 79% of its equity interests through a company he controls, Mr. Tan is a third party independent of the Company and its connected persons, and does not directly or indirectly hold any share of the Company.

Sale Shares : 15,000 ordinary shares of Zero1, representing approximately 14.8% of its entire issued share capital as at the date of the Agreement.

Consideration and payment : Consideration of S\$150,000 shall be paid by Mr. Tan in cash upon Completion.

The consideration was offered by Mr. Tan. ZONE Asia accepted the price after taking into account the financial performance and financial position of Zero1 and the carrying value of the Sale Shares.

Condition precedent : Completion is conditional upon all consents and waivers, in favour of ZONE Asia under the Shareholders Agreement and the constitutional documents of Zero1, including any waiver of right of first refusal over the Sale Shares, necessary for Completion having been received by ZONE Asia.

Completion : Completion shall take place on the second business day after the day on which such condition is fulfilled or waived by the Parties.

## REASONS FOR AND BENEFITS OF THE DISPOSAL

Since its investment in 2018, ZONE Asia has been a passive investor in Zero1 which carries on the business of provision of mobile cellular and other wireless telecommunication network services in Singapore as a mobile virtual network operator (MVNO) pursuant to a license granted by the Infocomm Media Development Authority (IMDA) of Singapore.

Zero1 has continued to report losses after the Group's investment and as at 31 March 2020, it also reported net liabilities as disclosed below. In view of the lack of positive financial contribution of this investment to the Group and the fact that the consideration for the Sale Shares represents approximately 10 times the carrying value of such investment in the Group's books, the Directors consider the Disposal represents a good opportunity for the Group to generate additional cash flow and to realise its initial investment in Zero1 with a small gain. The Directors believe the terms of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole.

## FINANCIAL INFORMATION OF ZERO1

Set out below is a summary of the audited financial information of Zero1 for the financial year ended 31 March 2020 prepared in accordance with Singapore Financial Reporting Standards ("SFRS"); and the unaudited financial information of Zero1 for the financial year ended 31 March 2019 prepared in accordance with SFRS for Small Entities and was exempted from auditing requirements pursuant to the Companies Act of Singapore:

	For the year ended 31 March	
	2020	2019
	S\$	S\$
	(audited)	(unaudited)
Net (loss) before taxation	(2,068,868)	(2,502,038)
	(approximately	(approximately
	HK\$(11,978,746))	HK\$(14,486,800))
Net (loss) after taxation	(1,717,160)	(2,071,049)
	(approximately	(approximately
	HK\$(9,942,356))	HK\$(11,991,374))

The audited net liabilities of Zero1 as at 31 March 2020 under SFRS was S\$3,472,435.

## **FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

The Sale Shares are recorded in the financial statements of the Group as financial assets at fair value through other comprehensive income (FVOCI). The audited carrying value of the Sale Shares as at 31 December 2019 was HK\$86,000.

The Group expects to realize an unaudited gain on the Disposal of approximately HK\$782,500, being the difference between cash proceeds from the Disposal of S\$150,000 (approximately HK\$868,500) and the unaudited carrying value of the Sale Shares of HK\$86,000, which will be credited to profit and loss. Actual financial effect will be determined on the basis of the fair value of assets and liabilities of Zero1 at Completion and is subject to audit and thus may differ from the estimation above. The Group will cease to have any equity interest in Zero1 upon Completion.

Net proceeds from the Disposal after deducting related expenses are estimated to be S\$140,500 (approximately HK\$813,495). The Group intends to apply them towards general working capital of the Group.

## **INFORMATION ABOUT THE GROUP**

Principal activity of ZONE Asia is investment holding. The Group currently has a portfolio of business interests in the telecommunications, information technology, financial solution, software development and distribution sectors in Hong Kong, Singapore and the PRC.

## **LISTING RULES IMPLICATIONS**

As the highest of all applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirement under Chapter 14 of the Listing Rules.

No Director has a material interest in the Disposal and no Director is required to abstain from voting on the board resolutions to approve the Disposal.

## **TAKEOVERS CODE IMPLICATIONS**

Reference is made to the announcement of the Company dated 21 January 2021 pursuant to Rule 3.5 of the Takeovers Code. The Disposal constitute a frustrating action under Rule 4 of the Takeovers Code, and shall not be carried out unless approval from the Company's shareholders in general meeting is obtained. Having obtained written consent from the Offeror (as defined in the said announcement), the Company has applied for and the Executive has indicated it is minded to grant a waiver from the general requirement to obtain Shareholders' approval for the Disposal under Rule 4 of the Takeovers Code.

## **BUSINESS UPDATE**

Further to the business update announcement of the Company dated 29 January 2021, the Board wishes to update the Shareholders that the Group is in negotiation on a possible acquisition of an income generating investment property from an independent third party. Based on information currently available, if the acquisition proceeds, it will constitute a major transaction of the Company. The possible acquisition is subject to signing of definitive agreements and may or may not proceed. Further announcement will be made in compliance with the Listing Rules as and when appropriate. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Agreement”	an agreement dated 5 February 2021 in relation to the Disposal signed by the Parties
“Board”	the board of Directors
“Company”	Great Wall Belt & Road Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 524)
“Completion”	completion of the Agreement

“connected person(s)”	has the same meaning as defined in the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	disposal of the Sale Shares pursuant to terms of the Agreement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such executive director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tan”	Mr. Stuart Hua Koon Tan
“Parties”	parties to the Agreement i.e. Mr. Tan and ZONE Asia
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“S\$”	Singapore dollars, the lawful currency of Singapore
“Sale Shares”	15,000 ordinary shares of Zero1, representing approximately 14.8% of its entire issued share capital as at the date of the Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholders”	shareholders of the Company
“Shareholders Agreement”	a shareholders agreement dated 2 July 2018 signed between ZONE Asia and other shareholders of Zero1
“Singapore”	Republic of Singapore

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by SFC
“Zero1”	Zero1 Pte. Ltd., a company incorporated in Singapore with limited liability
“ZONE Asia”	ZONE Asia Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent

*For illustration purpose only, the exchange rate of S\$1 = HK\$5.79, being the approximate exchange rate as at 5 February 2021, is applied in this announcement.*

By Order of the Board  
**Great Wall Belt & Road Holdings Limited**  
**Cheung Ka Heng Frankie**  
*Vice-Chairman and Executive Director*

Hong Kong, 5 February 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhao Ruiyong, Mr. Cheung Ka Heng Frankie and Mr. Cheung Siu Fai, and four independent non-executive Directors, namely Mr. Huang Tao, Mr. Fong Wai Ho, Mr. Leung Wai Kei and Mr. Lam Chik Shun Marcus.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*