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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

## MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY AND NOTICE OF SGM

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A notice convening the SGM of the Company to be held at SOHO 2, 6/F, IBIS Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 17 March 2021 at 10:00 a.m. is set out from pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is also enclosed with this circular.

Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queens Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM (i.e. at or before 10:00 a.m. on Monday, 15 March 2021) or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

### PRECAUTIONARY MEASURES FOR THE SGM

Taking into account of the COVID-19 situation in Hong Kong, the Company will implement the following measures at the SGM to protect the Shareholders from the risk of infection:–

- (i) compulsory body temperature check for every Shareholder or proxy at the entrance of the venue. Anyone with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue;
- (ii) every Shareholder or proxy is required to wear surgical face mask throughout the SGM. Those refusing to wear surgical face mask will not be admitted to the venue;
- (iii) social distancing measures as appropriate.

The Company wishes to remind the Shareholders that they may appoint any person or the chairman of the SGM as a proxy to vote on the resolution instead of attending the SGM in person.

24 February 2021

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“associate(s)”	has the same meaning as defined in the Listing Rules
“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 Disposal pursuant to terms of the Sale and Purchase 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 Interest pursuant to terms of the Sale and Purchase Agreement
“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
“Joint Venture Agreement”	a joint venture agreement dated 8 September 2017 between the Target Company and Zhejiang Qingfeng (please refer to the Company’s circular dated 8 December 2017 for further details)
“Latest Practicable Date”	19 February 2021, being the latest practicable date prior to printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules
“PRC”	the People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Purchaser”	Shaanxi China Investment Asset Management Company Limited* (陝西中投資產管理有限公司). To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, it is owned as to 60%, 30% and 10% by three PRC companies; the 60% shareholder is owned as to 95% by a wholly-owned subsidiary of Wangdian Investment Company Limited* (網點投資有限公司) and 5% by WANG Qingping (王青平); the 30% shareholder is owned as to 90% by DANG Fei (黨斐) and 10% by DANG Kekai (黨科凱); and the 10% shareholder is owned as to 70% by ZHANG Chuanrong (張傳榮) and 30% by HU Yuxiang (胡宇翔)
“Previous Sale and Purchase Agreement”	a sale and purchase agreement dated 13 May 2020 (and subsequently terminated on 20 November 2020) entered into between the Company as vendor and the Previous Purchaser as purchaser in relation to the sale and purchase of the Sale Interest
“Purchaser”	Vantage Network Global Limited
“Refundable Deposit”	a refundable deposit of RMB23,750,000 paid by the Purchaser pursuant to terms of the Sale and Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	a sale and purchase agreement dated 20 November 2020 entered into between the Company and the Purchaser in relation to the Disposal
“Sale Interest”	entire issued share capital of the Target Company

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## DEFINITIONS

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“Sanction Announcements”	the Company’s announcements dated 5 January 2021 and 20 January 2021
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	a special general meeting of the Company to be held at SOHO 2, 6/F, IBIS Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 17 March 2021 at 10:00 a.m. to consider and, if thought fit, approve the Disposal
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“S\$”	Singapore dollars, the lawful currency of Singapore
“Takeovers Code”	the Code on Takeovers and Mergers
“Target Company”	B&R Investment Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Wusu Characteristic Town”	a characteristic town in Wusu, Xinjiang Autonomous Region, the PRC to be developed by Wusu Company
“Wusu Company”	Wusu Silk Road Small Towns Cultural Tourism Company Limited* (烏蘇絲路小鎮文旅有限公司), a company incorporated in the PRC with limited liability
“Yibin Company”	Yibin Xianyuan Lake Small Towns Cultural Tourism Company Limited* (宜賓仙源湖小鎮文旅有限公司), a company incorporated in the PRC with limited liability

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## DEFINITIONS

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“Zhejiang Qingfeng”

Zhejiang Qingfeng Yuansheng Culture Limited\* (浙江清風原生文化有限公司)(formerly known as Great Wall Film & Culture Company Group Limited\* ((長城影視文化企業集團有限公司)), a company incorporated in the PRC with limited liability and a connected person of the Company. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, it is owned as to 66.67% by Mr. ZHAO Ruiyong (趙銳勇)(the Chairman and an executive Director) and 33.33% by Mr. ZHAO Feifan (趙非凡)(the son of Mr. ZHAO Ruiyong)

“%”

per cent

*For illustration purposes only, the exchange rate of RMB1.0 = HK\$1.1, being the approximate exchange rate as at 30 June 2020, is applied in the Letter from the Board section and the exchange rate of RMB1.0 = HK\$1.18, being the approximate exchange rate as at 31 December 2020, is applied in Appendix I of this circular. Such exchange rates are for the purpose of illustration only and do not constitute a representation that any amounts in Renminbi or Hong Kong dollars have been, could have been or may be converted at such or any other rate or at all.*

*\* for identification purposes only*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Zhao Ruiyong  
Mr. Cheung Ka Heng Frankie  
Mr. Cheung Siu Fai

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Independent Non-Executive Directors:*

Mr. Huang Tao  
Mr. Fong Wai Ho  
Mr. Leung Wai Kei  
Mr. Lam Chik Shun Marcus

*Head office and principal place of  
business in Hong Kong:*

Suite 1602  
16/F COFCO Tower  
262 Gloucester Road  
Causeway Bay  
Hong Kong

24 February 2021

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF A SUBSIDIARY

#### BACKGROUND

On 13 May 2020, the Company as vendor entered into the Previous Sale and Purchase Agreement with the Previous Purchaser as purchaser for the sale and purchase of the entire issued share capital of the Target Company for RMB50,000,000. The Company's announcement dated 13 May 2020 disclosed that the Previous Purchaser and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company. The Company was informed by the Previous Purchaser that it wished to terminate the Previous Sale and Purchase Agreement as

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## LETTER FROM THE BOARD

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it was unable to pay the remaining balance of the consideration of RMB47,500,000. The Company forfeited the deposit of RMB2,500,000 paid by the Previous Purchaser as agreed in the termination deed dated 20 November 2020 between the Company and the Previous Purchaser by which the Previous Sale and Purchase Agreement was terminated.

While the Company was negotiating the terms on which the Previous Sale and Purchase Agreement was to be terminated, it sought out other potential purchasers for the Target Company. Accordingly, upon the termination of the Previous Sale and Purchase Agreement (i.e. 20 November 2020), the Company was able to enter into the Sale and Purchase Agreement with the Purchaser pursuant to which the Company conditionally agreed to sell and the Purchaser conditionally agreed to acquire the Sale Interest for RMB47,500,000.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal (including the Target Company); (ii) certain financial information of the Group; and (iii) notice of the SGM at which an ordinary resolution will be proposed for the Shareholders to consider and if thought fit, approve the Disposal.

### THE SALE AND PURCHASE AGREEMENT

Key terms and conditions of the Sale and Purchase Agreement are summarised below:

<b>Date</b>	:	20 November 2020
<b>Parties</b>	:	(i) the Company as vendor; and (ii) Vantage Network Global Limited as purchaser
<b>Sale Interest</b>	:	The entire issued share capital of the Target Company
<b>Consideration and payment terms</b>	:	Consideration of RMB47,500,000 shall be paid by the Purchaser in cash in the following manner:  (i) a refundable deposit of RMB23,750,000 which was paid by the Purchaser to the Company in November 2020; and  (ii) the balance of the consideration (being RMB23,750,000) shall be payable by the Purchaser to the Company on or before the date of Completion.



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## LETTER FROM THE BOARD

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The consideration was determined after arm's length negotiation between the Company and the Purchaser. Having taken into account (i) the book value/net asset value attributable to the Sale Interest as at 30 June 2020 of approximately HK\$54,989,000 (approximately RMB49,990,000); (ii) the Company's aggregate paid-in investment in the Target Company's projects of RMB50 million (of which RMB2.5 million has been recovered in the form of forfeited deposit from the Previous Purchaser, details of which are set out in the announcement of the Company dated 20 November 2020); (iii) the unlikely recovery in the near term of the remaining RMB47.5 million investment or any additional return due to stalled status of the Target Company's projects; and (iv) the benefits to the Group in deploying the net proceeds from the Disposal towards general working capital and potential investment of the Group and in saving the interest expense that would otherwise have to be paid were the Group to borrow the same amount, the Board considered that the consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

**Conditions precedent** : Completion is conditional upon fulfilment or waiver of the following conditions:

- (i) the Purchaser being reasonably satisfied with the result of due diligence review in respect of the assets, liabilities, operation and affairs of the Target Company, Wusu Company and Yibin Company;
- (ii) approval by the Shareholders of the Sale and Purchase Agreement and the transactions contemplated thereunder being obtained at the SGM;
- (iii) the Company having obtained all necessary consents and approvals in respect of the Disposal;
- (iv) the Purchaser having obtained all necessary consents and approvals in respect of the acquisition of the Sale Interest;

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## LETTER FROM THE BOARD

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- (v) no events having occurred which constitute or may constitute a breach of any representations made by the Company; and
- (vi) no events having occurred which constitute or may constitute a breach of any representations made by the Purchaser.

The Company and the Purchaser shall make their best endeavours to procure the fulfilment of the above conditions precedent. The Company shall have the right to waive the condition precedent no. (vi), while the Purchaser shall have the right to waive the conditions precedent nos. (i) and (v). Conditions precedent nos. (ii), (iii) and (iv) cannot be waived.

The Purchaser has confirmed to the Company that (a) conditions precedent no. (i) and (iv) have been fulfilled; and (b) it is aware of the sanctions against Mr. Zhao Ruiyong and companies controlled by him including Zhejiang Qingfeng disclosed in the Sanction Announcements and will not terminate the Sale and Purchase Agreement as a result of the sanctions.

If any of the conditions precedent set out above is not fulfilled or waived by the relevant party on or before 31 March 2021 (or such later date as the Company and the Purchaser may agree in writing), the Sale and Purchase Agreement shall cease to have effect and neither party shall have any liability or obligation under the Sale and Purchase Agreement against the other save for any antecedent breach.

**Completion** : Completion shall take place within 30 days (or such later date as the Company and the Purchaser may agree in writing) after the fulfilment or waiver of all of the above conditions precedent.

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## LETTER FROM THE BOARD

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If Completion does not take place due to the default of the Purchaser, the Company shall be entitled to forfeit the Refundable Deposit, after which the Company shall not have any claims against the Purchaser for compensation or specific performance of the Sale and Purchase Agreement.

If Completion does not take place due to the default of the Company, the Company shall return the Refundable Deposit (without interest) to the Purchaser, after which the Purchaser shall not have any claims against the Company for compensation or specific performance of the Sale and Purchase Agreement.

If Completion does not take place due to reasons other than the default of the Company or the Purchaser, the Company shall return the Refundable Deposit (without interest) to the Purchaser. The Company and the Purchaser shall not have any claims against each other for compensation or specific performance of the Sale and Purchase Agreement.

### INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. The Target Company is an investment holding company and its principal asset is 25% equity interest in Wusu Company. The Target Company also holds 35% equity interest in Yibin Company. Both Wusu Company and Yibin Company are inactive.

#### **Wusu Company**

Wusu Company was incorporated in the PRC on 1 February 2018 by the Target Company and Zhejiang Qingfeng pursuant to the Joint Venture Agreement that was the subject of the Company's circular dated 8 December 2017. As at the Latest Practicable Date, Wusu Company was held as to 25% by the Target Company and 75% by Zhejiang Qingfeng.

The business scope of Wusu Company includes, among others, the development and management of tourism projects, development, investment and advisory on real estate projects and sales of tourism products. The registered capital of Wusu Company is RMB200,000,000. The Target Company had contributed RMB50,000,000 to Wusu Company as required under the Joint Venture Agreement.

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## LETTER FROM THE BOARD

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Wusu Company was formed for the development of the Wusu Characteristic Town located in Wusu, Xinjiang Autonomous Region, the PRC. It was to be an integrated project of residential and commercial properties, featuring hot-spring property projects and high-end living communities in the form of hot spring homestays supported by commercial properties. However, in around May 2018, shortly after the establishment of Wusu Company and before any substantive construction work was to be carried out, the Wusu government informed Wusu Company that the pipeline works for the west-to-east natural gas transmission project (西氣東輸管線項目) will pass through the original project land of the Wusu Characteristic Town and requested that the construction work for the Wusu Characteristic Town be suspended for safety reasons. The Company understands that Wusu Company has been liaising with the Wusu government for alternative sites for the development of Wusu Characteristic Town and compensation for the expenses incurred in connection with the relocation. While the Wusu local government has indicated in November 2020 its willingness to discuss an alternative site to be agreed that is south of the original site and to provide compensation for the relocation costs, Wusu Company has not secured any agreement with the Wusu government on the specific site location or the amount of compensation. Accordingly, there remains a high degree of uncertainty over when the development works for Wusu Characteristic Town may proceed and when any compensation will be made available to Wusu Company. Wusu Company has remained inactive since it stopped construction works in June 2018 and has outstanding a construction contract dated February 2018 with a third party contractor to whom prepayment for the commencement of works had been made.

### **Yibin Company**

On 12 April 2018, Yibin Company was formed in the PRC by the Target Company and Zhejiang Wenlan Investment Limited\* (浙江文瀾投資有限公司) (“**Zhejiang Wenlan**”) pursuant to a joint venture agreement that was the subject of the Company’s announcement dated 3 April 2018. As at the Latest Practicable Date, Yibin Company was held as to 35% by the Target Company and 65% by Zhejiang Wenlan.

The business scope of Yibin Company includes tourism project development, hotel management and real estate development and operation. The registered capital of Yibin Company was RMB200,000,000 and the Target Company has committed to contribute RMB70,000,000 of the registered capital to Yibin Company by April 2028. No contribution has in fact been made by the Target Company.

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## LETTER FROM THE BOARD

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Yibin Company was formed to engage principally in the development and operation of characteristic cultural towns, real estate projects and tourism projects in Yibin City, Sichuan Province, the PRC. Similar to the intended development of the Wusu Characteristic Town by Wusu Company, it was intended that Yibin Company will seek to generate revenue by developing the tourism and cultural resources of Yibin City with an aim to attract tourists and customers and boost the land and housing prices of the area which can be beneficial for the sales of properties by Yibin Company. Yibin Company has not since incorporation undertaken any construction work.

### Financial information

Each of Wusu Company and Yibin Company is an associate company of the Group and its financial results have not been consolidated in the results of the Group and have been accounted for using the equity method. Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the Group will cease to have any interest in the Target Company, Wusu Company and Yibin Company.

Set out below is the financial information of the Target Company for the two years ended 31 December 2018 and 2019:

	<b>For the year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<i>Approximately</i>	<i>Approximately</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	—	—
Loss before taxation	1,022	5,215
Loss after taxation	1,022	5,215

The unaudited net asset value of the Target Company as at 30 June 2020 was approximately HK\$54,989,000.

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## LETTER FROM THE BOARD

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Set out below is the financial information of Wusu Company for the two years ended 31 December 2018 and 2019:

	<b>For the year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<i>Approximately</i>	<i>Approximately</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Revenue	–	–
Profit before taxation	–	33
Profit after taxation	–	33

The unaudited net asset value of Wusu Company (after taking into consideration the unpaid capital contribution from Zhejiang Qingfeng) as at 30 June 2020 was approximately HK\$219,963,000.

Yibin Company has remained inactive since its incorporation. Accordingly, Yibin Company had no material assets or liabilities as at 30 June 2020.

### INFORMATION OF THE GROUP

The principal activity of the Company 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.

### INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands on 18 May 2016 with company number 1914123. It is an investment holding company directly wholly owned by Ms. Zhang Zhong Yuan.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner (i) are third parties independent of the Company and connected persons of the Company; and (ii) have no relationship and/or arrangement with the Previous Purchaser and its ultimate beneficial owners, and with Zhejiang Qingfeng and its ultimate beneficial owners.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFIT OF THE DISPOSAL

The Directors consider that the Disposal represents a good opportunity for the Group to generate additional cash flow by the disposal of non-profitable investment in the Target Company, given that both projects held by the Target Company has been inactive for an extended period of time. Given (i) the termination of the previous proposed disposal of the Sale Interest which is the subject of the announcement dated 20 November 2020 and (ii) there not being any material positive development on the status of the Wusu Characteristic Town project nor the Yibin project as of the Latest Practicable Date which means the generation of any return (if at all) from the Company's investment in the Target Company remains uncertain and remote, the Directors consider that it is in the interest of the Company to proceed with the Disposal which allows the Group to realise its investment in the Target Company (at a price together with the forfeited deposit under the Previous Sale and Purchase Agreement that is equal to the Group's investment in Wusu Company) and generate cash inflow from the net proceeds from the Disposal. Following the Disposal, the Group can then allocate its resources (including the proceeds of the Disposal) towards its existing businesses and new investment and business opportunities in Greater China region as described in paragraph 3 (Financial and Trading Prospects of the Group) of Appendix I to this circular. The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole. The subject matter of the Sanction Announcements do not adversely affect the views of the Board above.

### FINANCIAL EFFECT OF THE DISPOSAL

As at 30 June 2020, the unaudited carrying value/net book value of the Group's investment in the Sale Interest was approximately HK\$54,989,000 (approximately RMB49,990,000). The excess of the net book value attributable to the Sale Interest as at 30 June 2020 over the consideration for the Disposal is approximately RMB2,490,000 (approximately HK\$2,739,000).

### Expected loss as a result of the Disposal

For illustration purpose, as a result of the Disposal, it is estimated that the Company will realize an unaudited loss on the Disposal of approximately RMB2,490,000 (approximately HK\$2,739,000), being the difference of the cash proceeds from the Disposal of RMB47,500,000 (approximately HK\$52,250,000) and the unaudited carrying value of Sale Interest of approximately HK\$54,989,000 (approximately RMB49,990,000), which will be credited to the profit and loss. The actual financial effect of the Disposal will be determined based on the fair value of the assets and liabilities of the Target Company at Completion and is subject to audit and therefore may differ from the above estimation.

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## LETTER FROM THE BOARD

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### **Effect of the Disposal on the earnings and assets and liabilities of the Group**

#### ***Cash position and net asset value***

Upon Completion, the Company will receive cash proceeds of RMB47,500,000 (approximately HK\$52,250,000), which amounts to approximately 1,232.89% of the Group's unaudited bank balances and cash as at 30 June 2020 of approximately HK\$4,238,000.

Based on the estimation of the Board, the net asset value of the Group immediately upon Completion would decrease by RMB2,490,000 (approximately HK\$2,739,000), which amounts to approximately 9.47% of the unaudited net asset value of the Group as at 30 June 2020 of approximately HK\$28,915,000.

#### ***Earnings***

The total revenue and loss for the year of the Group for the year ended 31 December 2019 were approximately HK\$79,210,000 and approximately HK\$225,172,000, respectively. The Disposal, if completed, is not expected to significantly change the revenue and earnings base for the Group in the immediate future.

### **USE OF PROCEEDS**

The net proceeds from the Disposal after deducting related expenses are estimated to be RMB47,045,000 (approximately HK\$51,750,000). The Group intends to apply all or substantially all of the net proceeds for possible new income generating investment and business opportunities should appropriate opportunities arise. Otherwise, the net proceeds will be utilised as general working capital of the Group, including operating and administrative expenses, salary expenses and rental expenses.

### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceeds 25% and all of the applicable percentage ratios are below 75%, the Disposal constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements 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.



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## LETTER FROM THE BOARD

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### THE SGM

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and no Shareholder is required to abstain from voting on the resolution to approve the Disposal at the SGM.

A notice convening the SGM to be held at SOHO 2, 6/F, IBIS Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 17 March 2021 at 10:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. An ordinary resolution will be proposed at the SGM and, if thought fit, passed by the Shareholders by way of poll to approve the Disposal.

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 12 March 2021 to Wednesday, 17 March 2021 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Thursday, 11 March 2021.

A form of proxy for use at the SGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority at the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM (i.e. at or before 10:00 a.m. on Monday, 15 March 2021) or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM or the adjourned meeting if you so wish.

### RECOMMENDATION

The Board (including all the independent non-executive Directors) considers that the terms of the Disposal are fair and reasonable and that the Disposal is in the interests of the Company and its Shareholders as a whole. Therefore, the Directors recommend the Shareholders to vote in favour of the resolution set out in the notice of the SGM.

Your attention is also drawn to the information set out in the appendices and the notice of the SGM.

Yours faithfully,  
For and on behalf of the board of  
**Great Wall Belt & Road Holdings Limited**  
**Cheung Ka Heng Frankie**  
*Vice-Chairman and Executive Director*

**1. INDEBTEDNESS STATEMENT**

At the close of business on 31 December 2020, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the Group had outstanding amount due to a former director, amount due to associate, loan from a former director, loans from directors/amount due to a director, lease liabilities and bank guarantee of approximately HK\$31,218,000, details of which are as follows:

**Amount due to a former director**

The Group had amount due to a former director, Mr. Yeung Chun Wai Anthony, of HK\$12,393,000, the amount represents the balance of consideration previously received by the Group that should be returned to the former director when the ordinary shares of SingAsia Holdings Limited (Stock code: 8293) (the “**SingAsia Shares**”) held by him were returned to the Group in part. The Group had issued a writ of summons on 12 March 2019 to commence legal proceedings against the former director to request the transfer of the SingAsia Shares. The amounts are unsecured, unguaranteed, interest-free and the Group had issued a writ of summons to commence legal proceedings against the former director to request the transfer of the SingAsia Shares. Please refer to note 10 to the interim report of the Company for the six months ended 30 June 2020 for greater details. As at the Latest Practicable Date, the Group and Mr. Yeung has completed the exchange of statement of claims and defences for the legal proceedings.

**Loan from a former director**

The Group had been provided loan facilities from a former director of maximum amounts of HK\$500,000. The Group has drawn the loan amounts of HK\$440,000, which are unsecured, unguaranteed, interest-free and repayable on demand.

**Loans from directors/amount due to a director**

The Group had been provided loan facilities from two directors for a maximum amount of HK\$38,000,000 and HK\$3,200,000, respectively, all of which are unsecured, unguaranteed and interest-free. In addition, a director had made an interest-free advance of HK\$133,000 to the Company. The aggregate outstanding amount was approximately HK\$5,711,000, of which approximately HK\$2,378,000 is repayable on 31 March 2021 and approximately HK\$3,333,000 is repayable on demand.

The Group obtained loan facilities from a director in the maximum principal amount of HK\$10,000,000. The Group has drawn in full the loan amounts of HK\$10,000,000, which are unsecured, unguaranteed, interest bearing at 12% per annum and repayable on demand.

**Amount due to associate**

The Group had amount due to associate of approximately HK\$280,000 which are unsecured, unguaranteed, interest-free and repayable on demand.

**Lease liabilities**

The Group had lease liabilities (comprising both current and non-current liabilities) of approximately HK\$1,646,000.

**Bank guarantee**

At the close of business on 31 December 2020, the Group had bank guarantee of approximately HK\$748,000 issued to suppliers for operational requirement and pledged bank deposits of approximately HK\$748,000 in relation thereto. The amount utilised of approximately HK\$748,000 represents the outstanding amounts payable to these suppliers.

**Margin facility**

Certain equity securities listed in Hong Kong classified as financial assets at fair value through other comprehensive income are placed in a margin account of a regulated securities broker. No margin facility was utilised as at 31 December 2020.

Save as disclosed above, except and apart from the intra-group liabilities and normal trade payables, the Group did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowing or other similar indebtedness, lease liabilities or hire purchase commitments, liabilities under acceptances or acceptance credits, debentures, mortgages, charges or guarantees or other material contingent liabilities as at the close of business on 31 December 2020. Since 31 December 2020, there has been no material change to the Group's indebtedness.

**2. WORKING CAPITAL**

Taking into account the effect of the Disposal and the financial resources available to the Group, including internally generated funds and external borrowings, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for at least the 12 months from the date of this circular.

**3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group will continue to face challenges associated with the uncertainties arising from US-China trade relations and the COVID-19 pandemic on the global economy and also the markets in which the Group operates. As people across the globe demand for technology products and services more than ever before the pandemic, it will inevitably speed up the process of global digital transformation of more people's working and living pattern. The Group's strategy is to maintain the sustainability of its telecommunication and information technology business by protecting its business reputation and competitiveness through the improvement of its service quality. Meanwhile, the Group will continue to look for investment and business development opportunities in the Greater China region in the new emerging technology, information technology and 5G technology sectors and consider possible investments in income generating properties to expand and diversify the Group's sources of revenue and return over time.

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DISCLOSURE OF INTERESTS****(a) Interests of the Directors and chief executive of the Company**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

***Interests in the Shares, underlying Shares and debentures of the Company***

<b>Name of director</b>	<b>Capacity</b>	<b>Number of Shares interested (long position)</b>	<b>Approximate percentage of shareholding (Note 2)</b>
Cheung Siu Fai (Note 1)	Interest of a controlled corporation	535,804,291	51.02%

***Notes:***

1. The 535,804,291 Shares are beneficially owned by Beta Dynamic Limited which is wholly and beneficially owned by Mr. Cheung Siu Fai. Mr. Cheung Siu Fai is also the sole director of Beta Dynamic Limited.
2. The percentage was calculated based on 1,050,280,000 Shares, being the total issued share capital of the Company as at the Latest Practicable Date.

***Interests in the shares, underlying shares and debentures of associated corporations of the Company***

Name of director	Name of associated corporation	Capacity	Amount of registered capital interested	Approximate percentage of shareholding
Zhao Ruiyong (Note 3)	Wusu Company (Note 4)	Interest of a controlled corporation	RMB150,000,000	75.00%
Cheung Siu Fai	Beta Dynamic Limited (Note 5)	Beneficial owner	–	100%

*Note:*

3. Zhejiang Qingfeng owns 75% of the entire registered capital of Wusu Company. Mr. Zhao Ruiyong owns 66.67% of the entire issued share capital of Zhejiang Qingfeng and thus he is deemed to be interested in 75% of the entire registered capital of the Wusu Company under the SFO.
4. As the Company, through the Target Company, holds 25% equity interest in Wusu Company, Wusu Company constitutes an associated corporation of the Company under the SFO.
5. Beta Dynamic Limited, which holds more than 50% of the total issued share capital of the Company, is the holding company of the Company and thus an associated corporation of the Company under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company has or is deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**(b) Interests of substantial Shareholders**

As at the Latest Practicable Date, to the best knowledge of the Directors, the table below lists out the person (other than the Directors or chief executives of the Company), who had interests or short positions in the Shares and underlying Shares of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange.

Name of Shareholder	Capacity	Number of Shares interested (long position)	Approximate percentage of shareholding (Note 2 above)
Beta Dynamic Limited (Note 1 above)	Beneficial owner	535,804,291	51.02%

**3. DIRECTORS' INTERESTS IN ASSETS**

Save for Mr. Zhao Ruiyong's indirect interest in Wusu Company through Zhejiang Qingfeng as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed directors had any interest, direct or indirect, in any assets which have been, since 31 December 2019, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENT**

Save for the Joint Venture Agreement and as disclosed below, none of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group.

The Company and Mr. Zhao Ruiyong entered into a loan agreement dated 30 August 2019 pursuant to which Mr. Zhao Ruiyong agreed to provide an unsecured and interest-free loan in the principal amount of up to HK\$38,000,000 to the Company. The maturity date of the loan is 31 March 2021.

The Company and Mr. Cheung Ka Heng Frankie entered into a loan agreement dated 30 August 2019 (as amended and supplemented from time to time) pursuant to which Mr. Cheung Ka Heng Frankie agreed to provide an unsecured and interest-free loan in the principal amount of up to HK\$3,200,000 to the Company. The loan is currently repayable on demand.

The Company and Mr. Cheung Siu Fai entered into a loan agreement dated 19 October 2020 pursuant to which Mr. Cheung Siu Fai agreed to provide an unsecured loan in the principal amount of up to HK\$10,000,000 to the Company with interest accruing at the rate of 12% per annum. The principal and interest accrued under the loan are repayable on demand.

Each of the loans above constitutes a fully-exempted connected transaction under Rule 14A.90 of the Listing Rules.

## **5. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were treated as a controlling shareholder).

## **6. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation other than statutory compensation).

## **7. MATERIAL CONTRACTS**

The following contracts, not being a contract entered into in the ordinary course of business of the Group, was entered into by members of the Group during the two years immediately preceding the date of this circular and is or may be material:

- (a) the Previous Sale and Purchase Agreement;
- (b) a termination deed dated 20 November 2020 entered into between the Company and the Previous Purchaser to terminate the Previous Sale and Purchase Agreement. In accordance with the terms of the Previous Sale and Purchase Agreement, the Company forfeited the deposit of RMB2,500,000 made by the Previous Purchaser;
- (c) the Sale and Purchase Agreement;
- (d) a sale and purchase agreement dated 5 February 2021 entered into between ZONE Asia Holdings Limited (a wholly-owned subsidiary of the Company) as vendor and Mr. Stuart Hua Koon TAN as purchaser in respect of the sale and purchase of 15,000 shares (representing approximately 14.8% of shares in issue) in Zero1 Pte. Ltd., for a consideration of S\$150,000 (approximately HK\$868,500).



**8. LITIGATION**

Save as disclosed in note 10 to the interim report of the Company for the six months ended 30 June 2020 in connection with the legal proceedings initiated by the Group against a former Director (Mr. Yeung Chun Wai Anthony) for the return of certain shares in SingAsia Holdings Limited (stock code: 8293), as at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance pending or threatened against the Company or any member of the Group.

**9. MISCELLANEOUS**

The company secretary of the Company is Mr. Law Hoi Ching. He is a fellow and practising member of the Hong Kong Institute of Certified Public Accountants, and a member of each of the American Institute of Certified Public Accountants and the CPA Australia. He is also an associate member of the Institute of Chartered Accountants in England & Wales, the Hong Kong Institute of Chartered Secretaries as well as the Institute of Chartered Secretaries and Administrators.

The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business in Hong Kong is Room 1602, 16/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong.

The principal share registrar and transfer office of the Company is MUFG Fund Services (Bermuda) Limited located at 4th floor, North Cedar House, 41 Cedar Avenue, Hamilton HM12, Bermuda.

The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited located at Level 54, Hopewell Centre, 183 Queens Road East, Hong Kong.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from 9:30 a.m. to 5:30 p.m. (except Saturdays, Sundays and gazetted public holidays in Hong Kong) at Suite 1602, 16/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2018 and 2019;
- (c) the contracts referred to in the paragraph headed “Material Contracts” in this Appendix II; and
- (d) this circular.

\* For identification purpose only

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## NOTICE OF SGM

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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)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (“SGM”) of Great Wall Belt & Road Holdings Limited (the “**Company**”) will be held at SOHO 2, 6/F, IBIS Hong Kong Central & Sheung Wan Hotel, No. 28 Des Voeux Road West, Sheung Wan, Hong Kong on Wednesday, 17 March 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

#### ORDINARY RESOLUTION

“**THAT** the proposed disposal by the Company (as vendor) to Vantage Network Global Limited (as purchaser) of the entire issued share capital of B&R Investment Holding Limited for a consideration of RMB47,500,000 pursuant to a sale and purchase agreement dated 20 November 2020 (the “**Agreement**”, a copy of which has been produced to the meeting, marked “A” and initialled by the chairman of the meeting for the purpose of identification) entered into between the Company and Vantage Network Global Limited be and is hereby approved; and the directors of the Company be and are hereby authorised to take such actions, do such things, agree to such amendments to the Agreement and execute such documents or deeds, for the purpose of giving effect to the Agreement and the transactions contemplated thereunder.”

By order of the board of  
**Great Wall Belt & Road Holdings Limited**  
**Law Hoi Ching**  
*Company Secretary*

Hong Kong, 24 February 2021

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## NOTICE OF SGM

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*Notes:*

1. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 12 March 2021 to Wednesday, 17 March 2021 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Thursday, 11 March 2021.
2. Any member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead.
3. A proxy need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
4. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting (i.e., at or before 10:00 a.m. on Monday, 15 March 2021) or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the share register in respect of the joint holding.