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**美捷滙控股有限公司\***

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

**(Stock Code: 1389)**

## **ANNOUNCEMENT ON CONNECTED TRANSACTIONS**

The Board announces that on 15 December 2022, Major Cellar (an indirectly wholly-owned subsidiary of the Company) entered into the Tenancy Agreement with Major Talent in respect of the Office Premises.

### **LISTING RULES IMPLICATIONS**

In accordance with IFRS 16 “Leases” applicable to the Company, the Company will recognise right-of-use assets on its consolidated statement of financial position in connection with the tenancies of the Office Premises and Warehouse under the Tenancy Agreement and Previous Tenancy Agreement respectively. Accordingly, the transactions under the Tenancy Agreement and Previous Tenancy Agreement will be regarded as acquisition of assets by the Group, constituting connected transactions of the Company under Chapter 14A.

As at the date of this announcement, Mr. Cheung is the sole director and sole shareholder of Major Talent and Health Sunrise respectively. Therefore, each of Major Talent and Health Sunrise is an associate of Mr. Cheung and a connected person of the Company. Accordingly, the entering into of the Tenancy Agreement by Major Cellar and Previous Tenancy Agreement by Wine Cave constitute connected transactions under Chapter 14A of the Listing Rules. Since the transactions under both tenancies are entered into by the Group with parties who are connected with one another, such transactions will be aggregated and treated as a series of connected transactions pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

\* For identification purposes only

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Tenancy Agreement, when aggregated with the Previous Tenancy Agreement within 12-month period, are more than 0.1% but all of them are less than 5%, the transactions under the Tenancy Agreement and Previous Tenancy Agreement are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial adviser review) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## **INTRODUCTION**

The Board announces that on 15 December 2022, Major Cellar (an indirectly wholly-owned subsidiary of the Company) entered into the Tenancy Agreement with Major Talent in respect of the Office Premises.

## **TENANCY AGREEMENT**

The principal terms of the Tenancy Agreement are as follows:

Date:	15 December 2022
Parties:	(1) Major Cellar, as tenant; and (2) Major Talent, as landlord
Premises:	the Office Premises
Lease term:	3 years from 15 December 2022 to 14 December 2025 (both days inclusive)
Rent:	HK\$110,000.00 per month (exclusive of management fee, air-conditioning charges, electricity/water charges, government rates and government rent), payable in advance on the first day of each calendar month  The rent was determined after taking into account (i) prevailing market conditions and the prevailing market rent for similar properties in the vicinity of the premises; and (ii) conditions of the premises, including the location of the premises as well as the facilities and management services associated with the premises. The rent payable will be financed by the internal resources of the Group.
Deposit:	HK\$220,000.00, equivalent to two months' rent
Usage:	Office

## **PREVIOUS TENANCY AGREEMENT**

The principal terms of the Previous Tenancy Agreement are as follows:

Date:	10 March 2022
Parties:	(1) Wine Cave, as tenant; and (2) Health Sunrise, as landlord
Premises:	the Warehouse
Lease term:	3 years from 8 June 2022 to 7 June 2025 (both days inclusive)
Rent:	HK\$200,000.00 per month (exclusive of management fee, air-conditioning charges, electricity/water charges, government rates and government rent), payable in advance on the first day of each calendar month  The rent was determined after taking into account (i) prevailing market conditions and the prevailing market rent for similar properties in the vicinity of the premises; and (ii) conditions of the premises, including the location of the premises as well as the facilities and management services associated with the premises. The rent payable will be financed by the internal resources of the Group.
Usage:	Wine storage

## **INFORMATION ON THE PARTIES**

### **The Group**

The Group is an investment holding company and its principal subsidiaries are mainly engaged in the sale and distribution of premium wine and spirits products and wine accessory products in Hong Kong. Major Cellar is an indirectly wholly-owned subsidiary of the Company and principally engages in sale and distribution of premium wine and spirits products. Wine Cave is an indirectly wholly-owned subsidiary of the Company and principally engages in trading of wine, wine storage and wine consignment services.

### **Major Talent**

Major Talent is an investment holding company that principally engages in holding and leasing of investment properties. As at the date of this announcement, Mr. Cheung wholly owns Major Talent.

## **Health Sunrise**

Health Sunrise is an investment holding company that principally engages in holding and leasing of investment properties. As at the date of this announcement, Mr. Cheung wholly owns Health Sunrise.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT AND PREVIOUS TENANCY AGREEMENT**

As there was insufficient office space in the previous office premises, the Group entered into the Tenancy Agreement and relocated its headquarters to the current Office Premises. The Board considers that the additional office space will facilitate the office administration of the Group and the Tenancy Agreement shall provide the Group with stable and necessary office premises.

The Group has leased the Warehouse for storage of premium wine and spirit products since 8 June 2018 and significant capital expenditure has been incurred to install equipment for the Warehouse premises as it requires special control features in relation to temperature, electricity supply, and security. The Directors are of the view that it is in the interests of the Group in terms of cost, time and stability to enter into the Previous Tenancy Agreement instead of finding and relocating to alternative properties. The Directors further consider that the Previous Tenancy Agreement shall provide the Group with stable and necessary warehouse premises.

The terms of the Tenancy Agreement and Previous Tenancy Agreement are arrived after arm's length negotiation between the parties. The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Tenancy Agreement and Previous Tenancy Agreement have been entered into in the ordinary and usual course of the Group's business on normal commercial terms, and the terms of the Tenancy Agreement and Previous Tenancy Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Mr. Cheung has a material interest in the connected transactions under the Tenancy Agreement and Previous Tenancy Agreement and, therefore, abstained from voting on the resolutions of the Board in respect of the approval of the Tenancy Agreement and Previous Tenancy Agreement.

### **LISTING RULES IMPLICATIONS**

In accordance with IFRS 16 "Leases" applicable to the Company, the Company will recognise right-of-use assets on its consolidated statement of financial position in connection with the tenancies of the Office Premises and Warehouse under the Tenancy Agreement and Previous Tenancy Agreement respectively. Accordingly, the transactions under the Tenancy Agreement and Previous Tenancy Agreement will be regarded as acquisition of assets by the Group, constituting connected transactions of the Company under Chapter 14A.

As at the date of this announcement, Mr. Cheung is the sole director and sole shareholder of Major Talent and Health Sunrise respectively. Therefore, each of Major Talent and Health Sunrise is an associate of Mr. Cheung and a connected person of the Company. Accordingly, the entering into of the Tenancy Agreement by Major Cellar and Previous Tenancy Agreement by Wine Cave constitute connected transactions under Chapter 14A of the Listing Rules. Since the transactions under both tenancies are entered into by the Group with parties who are connected with one another, such transactions will be aggregated and treated as a series of connected transactions pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Tenancy Agreement, when aggregated with the Previous Tenancy Agreement within 12-month period, are more than 0.1% but all of them are less than 5%, the transactions under the Tenancy Agreement and Previous Tenancy Agreement are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial adviser review) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Major Holdings Limited (Stock Code: 1389), a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Health Sunrise”	Health Sunrise Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Mr. Cheung
“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
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Major Cellar”	Major Cellar Company Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“Major Talent”	Major Talent Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Mr. Cheung
“Mr. Cheung”	Mr. Cheung Chun To, the Chairman, executive Director and chief executive officer of the Company
“Office Premises”	Office No. 1507, 15/F of Tower 2, Silvercord, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
“Previous Tenancy Agreement”	the tenancy agreement dated 10 March 2022 entered into between Wine Cave as tenant and Health Sunrise as landlord in respect of the Warehouse (as supplemented by a supplemental agreement dated 10 February 2023)
“Share(s)”	ordinary share(s) of the Company
“Tenancy Agreement”	the tenancy agreement dated 15 December 2022 entered into between Major Cellar as tenant and Major Talent as landlord in respect of the Office Premises
“Warehouse”	1) Factory Unit A and B on 15th Floor 2) The Roof and Machines Room 3) Upper Roof & External Walls 4) Car Park No. 16 & 17, L. M. K Development Estate, Nos. 10/16 Kwai Ting Road, Kwai Chung, Hong Kong
“Wine Cave”	The Wine Cave Company Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board  
**Major Holdings Limited**  
**CHEUNG Chun To**  
*Chairman*

Hong Kong, 10 February 2023

*As at the date of this announcement, the executive Director is Mr. Cheung Chun To, the independent non-executive Directors are Mr. Yue Kwai Wa Ken, Mr. Ngai Hoi Ying and Mr. Siu Shing Tak.*