

*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.*



Great Wall Terroir

長城天下

**Great Wall Terroir Holdings Limited**

**長城天下控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 524)**

## **DISCLOSEABLE TRANSACTION LEASE AGREEMENT**

### **LEASE AGREEMENT**

On 30 March 2023, Great Wall Belt & Road (a direct wholly-owned subsidiary of the Company) entered into the Lease Agreement with the Landlord in relation to the leasing of the Premises for a term of four years commencing from 1 April 2023 to 31 March 2027 (both days inclusive). The Premises will be used as office of the Group in Hong Kong.

### **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to HKFRS 16, as a result of the entering into the Lease Agreement, the Group will recognise right-of-use asset in its consolidated financial statements in connection with the Lease. As such, the Lease will be regarded as acquisition of assets by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated based on the value of the right-of-use asset to be recognised by the Company in connection with the Lease Agreement according to HKFRS 16 are more than 5% but all are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## LEASE AGREEMENT

On 30 March 2023, Great Wall Belt & Road (a direct wholly-owned subsidiary of the Company) entered into the Lease Agreement with the Landlord in relation to the leasing of the Premises for a term of four years commencing from 1 April 2023 to 31 March 2027 (both days inclusive). The Premises will be used as office of the Group in Hong Kong.

The principal terms of the Lease Agreement are set out below:

Date: 30 March 2023.

Parties: (i) Great Wall Belt & Road (as tenant); and  
(ii) Silver Nicety Company Limited (as the Landlord).

The Premises: Room 1903, 19th Floor, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong with a total floor area of approximately 3,027 square feet.

Term: Four years commencing from 1 April 2023 to 31 March 2027 (both days inclusive).

Usage: As additional office of the Group in Hong Kong in anticipation of potential business development.

Deposit: Upon signing of the Lease Agreement, Great Wall Belt & Road shall pay to the Landlord a refundable rental deposit in the amount of HK\$682,170.

Rent: Great Wall Belt & Road is entitled to a one-month rent free period from 1 April 2023 to 30 April 2023 (both days inclusive).

The monthly rent payable under the Lease Agreement is HK\$189,188 exclusive of operating charges, rates and other outgoings.

The rent will be made in cash and financed by the internal resources of the Group.

The rent was negotiated between Great Wall Belt & Road and the Landlord after arm's length negotiation and with reference to the prevailing market rental of comparable properties in the vicinity of the Premises.

Payment term: The rent shall be payable monthly on the first day of every calendar month during the term of the Lease.

## **GUARANTEE**

On 30 March 2023, in consideration of the Landlord agreeing to enter into the Lease Agreement with Great Wall Belt & Road, the Company entered into the Guarantee in favour of the Landlord pursuant to which, the Company unconditionally and irrevocably guarantees, as a continuing obligation, the due and punctual payment by Great Wall Belt & Road of the rent, operating charges, promotion levy, rates, Government rent and all other charges and expenses (if any) payable by Great Wall Belt & Road under the Lease Agreement and the due and punctual performance and observance by Great Wall Belt & Road of all of its obligations contained in the Lease Agreement throughout the term of the Lease Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT**

The Group is currently leasing an office premises in Admiralty, Hong Kong. The Group has been exploring various opportunities for business growth and is searching for suitable personnel to join the Group in order to cope with the business development of the Group. Having considered the expansion plan, the Board considers it is necessary and beneficial to enter into the Lease Agreement so that the Company can use the Premises as additional office in Hong Kong in anticipation of potential business development.

The Directors (including the independent non-executive Directors) consider that the terms of the Lease Agreement are on normal commercial terms and entered into in the ordinary and usual course of business of the Group, and the Lease is fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **INFORMATION OF THE PARTIES**

### **Information of the Company**

The Company is a company incorporated under the laws of Bermuda with limited liability and is principally engaged in investment holding. The Group is principally engaged in the provision of telecommunication and related services, information technology services and property investment.

### **Information of Great Wall Belt & Road**

Great Wall Belt & Road is a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in the provision of information technology services.

## **Information of the Landlord**

The Landlord is a company incorporated under the laws of Hong Kong with limited liability and is principally engaged in property investment. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, (i) the Landlord is an indirect wholly-owned subsidiary of Hysan Development Company Limited (stock code: 0014), the shares of which are listed on the Stock Exchange; and (ii) the Landlord and its ultimate beneficial owner(s) thereof are third parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules).

## **RIGHT-OF-USE ASSET**

Pursuant to HKFRS 16, the Group will recognise right-of-use asset in respect of the Lease upon commencement of the lease term. The value of the right-of-use asset to be recognised by the Company in connection with the Lease Agreement is estimated to be approximately HK\$8.1 million, which is the present value of aggregated lease payments less incentives (if any) and plus initial costs with the lease in accordance with HKFRS 16. The above estimated value of the right-of-use asset is subject to audit to be conducted by an independent auditor engaged by the Company and may be subject to adjustment in the future.

## **LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16, as a result of the entering into the Lease Agreement, the Group will recognise right-of-use asset in its consolidated financial statements in connection with the Lease. As such, the Lease will be regarded as acquisition of assets by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) calculated based on the value of the right-of-use asset to be recognised by the Company in connection with the Lease Agreement according to HKFRS 16 are more than 5% but all are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements, but is exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITION

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors;
“Company”	Great Wall Terroir 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);
“Director(s)”	the director(s) of the Company;
“Great Wall Belt & Road”	Great Wall Belt & Road International Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Guarantee”	the guarantee dated 30 March 2023 entered into between the Company and the Landlord, which is supplemental to the Lease;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Landlord”	Silver Nicety Company Limited, a company incorporated under the laws of Hong Kong with limited liability;

“Lease”	the lease in connection with the Premises pursuant to the terms and conditions of the Lease Agreement;
“Lease Agreement”	the lease agreement dated 30 March 2023 entered into between Great Wall Belt & Road as tenant and the Landlord in relation to the Lease;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Premises”	Room 1903, 19th Floor, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board  
**Great Wall Terroir Holdings Limited**  
**Cheung Siu Fai**  
*Chairman and Executive Director*

Hong Kong, 31 March 2023

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Cheung Siu Fai (chairman), Mr. Hui Chun Wai Henry and Mr. Cheung Hung, and three independent non-executive Directors, namely Mr. Fong Wai Ho, Mr. Chow Hiu Tung and Mr. Cheung Sze Ming.*