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## **Classified Group (Holdings) Limited**

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

**(Stock Code: 8232)**

### **DISCLOSEABLE TRANSACTION TENANCY AGREEMENT FOR RESTAURANT PREMISES**

#### **THE TENANCY AGREEMENT**

On 31 August 2023, Classified Limited, an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreement as tenant with HKL as landlord in respect of the lease of the Premises for a term of nine months commencing with retrospective effect on 1 August 2023 and expiring on 30 April 2024 (both days inclusive) for the operation of the Group's casual European café under the trade name of "RISE BY Classified".

#### **GEM LISTING RULES IMPLICATION**

Pursuant to HKFRS 16, the entering into of the Tenancy Agreement will require the Group to recognise the fixed portion of the rent for the Premises as the right-of-use assets with a cost of approximately HK\$0.83 million at initial recognition and a corresponding lease liability which represents the present value of the future lease payments. Thus, the entering into the Tenancy Agreement and the transaction contemplated thereunder will be regarded as a deemed acquisition of asset by the Group.

As one or more of the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of the Tenancy Agreement exceeds 5% but all are less than 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

#### **THE TENANCY AGREEMENT**

On 31 August 2023, Classified Limited as tenant entered into the Tenancy Agreement with HKL as landlord in respect of the lease of the Premises for a term of nine months commencing with retrospective effect on 1 August 2023 and expiring on 30 April 2024 (both days inclusive) for the operation of the Group's casual European café under the trade name of "RISE BY Classified".

Set out below is a summary of the principal terms of the Tenancy Agreement:

**Date:** 31 August 2023

**Parties:** (1) Classified Limited (as tenant); and  
(2) HKL (as landlord).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HKL and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

**Premises:** Shop 313, 3/F., Exchange Square Podium, 8 Connaught Place, Hong Kong.

**Use:** High quality fully licensed restaurant under the name of "RISE BY Classified"

**Term:** Nine months commencing on 1 August 2023 and expiring on 30 April 2024 (both days inclusive).

**Rent:** Rent is the greater of the Base Rent (as defined below) or Turnover Rent (as defined below) for each month.

Base rent ("**Base Rent**") during the Term of HK\$95,000 per month.

Turnover Rent ("**Turnover Rent**") means a monthly sum equivalent to 12% of the Net Turnover for the relevant month. Classified Limited is also responsible for payment of management charge, promotion charge, Government rates and other outgoings.

**Total consideration under the Tenancy Agreement:** The total consideration payable under the Tenancy Agreement during the Term, including Base Rent (i.e. excluding the Turnover Rent), management charge, promotion charge, Government rates and other outgoings payable by Classified Limited is estimated to be approximately HK\$1.1 million.

The consideration payable under the Tenancy Agreement is expected to be funded by the internal resources of the Group.

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

The Group is principally engaged in restaurant operations in Hong Kong.

The Premises have been rented to Classified Limited since August 2010 to operate the Group's casual European café under the trade name of "Classified"/"RISE BY Classified". The existing tenancy agreement for the Premises expired on 31 July 2023. The Directors believe that the Premises represent a prime location for food and beverages business in Central.

The terms of the Tenancy Agreement, including the Base Rent and Turnover Rent, as applicable, were determined after arms' length negotiation between Classified Limited and HKL after taking into account the prevailing market rent, lease terms of similar premises in the proximity of the Premises and the terms of the previous tenancy agreement entered into by Classified Limited in respect of the Premises. The Directors are of the view that the entry of the Tenancy Agreement and the terms and conditions thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Group and Classified Limited**

The Group is principally engaged in restaurant operations in Hong Kong.

Classified Limited is an indirect wholly-owned subsidiary of the Company and is engaged in the operations of casual European cafés under the trade name of "RISE BY Classified".

### **HKL**

HKL is a company incorporated in Hong Kong with limited liability and principally engaged in property investment. Based on the 2022 annual report of Hongkong Land Holdings Limited, HKL is ultimately owned by Hongkong Land Holdings Limited, which has a primary listing in the standard segment of the London Stock Exchange, with secondary listings in Bermuda and Singapore. Hongkong Land Holdings Limited is a member of the Jardine Matheson Group.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HKL and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

## **IMPLICATIONS OF THE GEM LISTING RULES**

Pursuant to HKFRS 16, the entering into of the Tenancy Agreement will require the Group to recognise the fixed portion of the rent for the Premises as the right-of-use assets with a cost of approximately HK\$0.83 million at initial recognition and a corresponding lease liability which represents the present value of the future lease payments. Thus, the entering into the Tenancy Agreement and the transaction contemplated thereunder will be regarded as a deemed acquisition of asset by the Group.

As one or more of the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of the Tenancy Agreement exceeds 5% but all are less than 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors;
“Classified Limited”	Classified Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability;
“Company”	Classified Group (Holdings) Limited, an exempted company incorporated in the Cayman Islands, the shares of which are listed on GEM (stock code: 8232);
“Director(s)”	the director(s) of the Company;
“GEM”	GEM of the Stock Exchange of Hong Kong Limited;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time;
“Government”	the government of Hong Kong Special Administrative Region;
“Group”	collectively, the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” which includes standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants;
“HKL”	HKL (Podium) Limited, a company incorporated in Hong Kong with limited liability;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Independent Third Party(ies)”	a third party or third parties independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive, substantial shareholders of the Company, our subsidiaries or any of their respective associates (as defined in the GEM Listing Rules);
“Net Turnover”	means (i) aggregate of the amounts received from all business carried on from the Premises by Classified Limited as tenant or a licensee or concessionaire of Classified Limited, excluding tips or gratuities received through credit card payments which are passed to staff as gratuities, less (ii) any sum paid by Classified Limited to the Government by way of tax chargeable on the supply of goods or services at, in or from the Premises;
“Premises”	Shop 313, 3/F., Exchange Square Podium, 8 Connaught Place, Hong Kong;
“Tenancy Agreement”	the tenancy agreement dated 31 August 2023 and entered into between Classified Limited as tenant and HKL as landlord in respect of the Premises;
“Term”	the term of nine months commencing on 1 August 2023 and expiring on 30 April 2024 (both days inclusive); and
“%”	per cent.

By order of the Board  
**Classified Group (Holdings) Limited**  
**Wong Arnold Chi Chiu**  
*Chairman and Executive Director*

Hong Kong, 31 August 2023

*As at the date of this announcement, the executive directors of the Company are Mr. WONG Arnold Chi Chiu, Mr. PONG Kin Yee and Mr. LI Kai Leung and the independent non-executive directors of the Company are Dr. CHAN Kin Keung Eugene, Mr. NG Chun Fai Frank and Mr. YUE Man Yiu Matthew.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at [www.classifiedgroup.com.hk](http://www.classifiedgroup.com.hk).*