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大中華控股(香港)有限公司
GREAT CHINA HOLDINGS (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 21)

CONNECTED TRANSACTION
PROPERTY LEASE AGREEMENTS

INTRODUCTION

The Property Lease Agreements

On 1 March 2024, (i) Waytung China and GCI entered into the Property Lease Agreement I; (ii) Great China (Huizhou) and GCI entered into the Property Lease Agreement II; and (iii) Great China (Shanwei) and GCI entered into the Property Lease Agreement III.

Listing Rules Implications

In accordance with HKFRS 16 “Leases”, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the lease of Properties under the Property Lease Agreements.

GCI is indirectly wholly-owned by Mr. Huang, the executive Director, controlling shareholders and chairman of the Group. As such, GCI is a connected person to the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the Property Lease Agreements constitute a one-off connected transaction of the Company.

According to Rule 14A.81 of the Listing Rules, all transactions contemplated under the Property Lease Agreements should be aggregated. As one or more of the relevant applicable percentage ratios exceeds 0.1% but is less than 25% and the aggregate value is less than HK\$10,000,000, the Transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 1 March 2024, (i) Waytung China and GCI entered into the Property Lease Agreement I; (ii) Great China (Huizhou) and GCI entered into the Property Lease Agreement II; and (iii) Great China (Shanwei) and GCI entered into the Property Lease Agreement III.

Set out below is a summary of the principal terms of the Property Lease Agreements:

1. PROPERTY LEASE AGREEMENT I

Lessee	Waytung China, a direct wholly-owned subsidiary of the Company
Lessor	GCI, which is indirectly wholly-owned by Mr. Huang
Lease term	from 1 March 2024 to 31 March 2025
Property leased	the premises located at Flat 3610-11, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場36樓西區3610-11室) with a gross floor area of 333.43 sq.m.
Monthly rental	RMB28,000 (equivalent to approximately HK\$30,800) (excluding management fee)
Other terms and conditions	<p>The monthly rental are payable on the 10th day of each calendar month. Subject to compliance with the Listing Rules, Waytung China may give at least 30 days' notice before the expiry of the Property Lease Agreement I to GCI in order to continue to lease the Property I from GCI.</p> <p>Waytung China shall be responsible for the other expenses incurred by Waytung China at the premises. GCI shall be responsible for the housing and land related tax.</p>

2. PROPERTY LEASE AGREEMENT II

Lessee	Great China (Huizhou), an indirect wholly-owned subsidiary of the Company
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Lessor	GCI, which is indirectly wholly-owned by Mr. Huang
Lease term	1 March 2024 to 31 March 2025
Property leased	the premises located at Flat 3609, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場36樓西區3609室) with a gross floor area of 321.83 sq.m.
Monthly rental	RMB43,600 (equivalent to approximately HK\$47,960) (excluding management fee)
Other terms and conditions	<p>The monthly rental are payable on the 10th day of each calendar month. Subject to compliance with the Listing Rules, Great China (Huizhou) may give at least 30 days' notice before the expiry of the Property Lease Agreement II to GCI in order to continue to lease the Property II from GCI.</p> <p>Great China (Huizhou) shall be responsible for the other expenses incurred by Great China (Huizhou) at the premises. GCI shall be responsible for the housing and land related tax.</p>

3. PROPERTY LEASE AGREEMENT III

Lessee	Great China (Shanwei), an indirect wholly-owned subsidiary of the Company
Lessor	GCI, which is indirectly wholly-owned by Mr. Huang
Lease term	1 March 2024 to 31 March 2025
Property leased	the premises located at Flat 3607-08, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場36樓西區3607-08室) with a gross floor area of 547 sq.m.
Monthly rental	RMB93,000 (equivalent to approximately HK\$102,300) (excluding management fee)

Other terms and conditions

The monthly rental are payable on the 10th day of each calendar month. Subject to compliance with the Listing Rules, Great China (Shanwei) may give at least 30 days' notice before the expiry of the Property Lease Agreement III to GCI in order to continue to lease the Property III from GCI.

Great China (Shanwei) shall be responsible for the other expenses incurred by Great China (Shanwei) at the premises. GCI shall be responsible for the housing and land related tax.

VALUE OF THE RIGHT-OF-USE ASSETS

The total value of the right-of-use asset to be recognised by the Group in respect of the lease of the Properties under the Property Lease Agreements are approximately RMB2,078,668.03 (equivalent to approximately HK\$2,286,534.83) which is the present value of aggregated lease payments to be made under the Property Lease Agreements in accordance with HKFRS 16 "Leases".

REASONS FOR AND BENEFITS OF ENTERING INTO THE PROPERTY LEASE AGREEMENTS

The terms of each of the Property Lease Agreements, including the rental payable by the Group, are arrived at after arm's length negotiations between the parties thereto with reference to the prevailing market rental of comparable properties in the area where the Properties are situated.

The Directors, including all the independent non-executive Directors, are of the view that the Transactions are conducted in the ordinary and usual course of business of the Group and on normal commercial terms and the terms of the Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE COMPANY AND GCI

The Company

The Company is a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange. The principal business activities of the Group are property development and investment and provision of management service to and operation of properties.

GCI

GCI is a company established in the PRC with limited liability and is indirectly wholly-owned by Mr. Huang. GCI is principally engaged in property investment, construction, operation and management of hotels.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the lease of Properties under the Property Lease Agreements.

GCI is indirectly wholly-owned by Mr. Huang, the executive Director, controlling shareholders and chairman of the Group. As such, GCI is a connected person to the Company. Pursuant to Chapter 14A of the Listing Rules, the transactions contemplated under the Property Lease Agreements constitute a one-off connected transaction of the Company.

According to Rule 14A.81 of the Listing Rules, all transactions contemplated under the Property Lease Agreements should be aggregated. As one or more of the relevant applicable percentage ratios exceeds 0.1% but is less than 25% and the aggregated value is less than HK\$10,000,000, the Transactions are subject to the reporting and announcement requirements but exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Except for Mr. Huang and Ms. Huang, none of the Directors has material interest in the Transactions or were required to abstain from voting on the Board resolutions of the Company approving the Property Lease Agreements and the transaction contemplated thereunder.

DEFINITION

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Great China Holdings (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules

“controlling shareholder”	has the same meaning as ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company
“GCI”	大中華國際集團(中國)有限公司(Great China International Group (China) Limited*), a company established in the PRC with limited liability and indirectly wholly-owned by Mr. Huang
“Great China (Huizhou)”	大中華實業(惠州)有限公司 (Great China Enterprises (Huizhou) Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Great China (Shanwei)”	汕尾市大中華實業有限公司 (Shanwei Great China Enterprises Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“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. Huang”	Mr. Huang Shih Tsai, the executive Director, controlling shareholder and chairman of the Group and father of Ms. Huang
“Ms. Huang”	Ms. Huang Wenxi, the chief executive officer and executive Director and daughter of Mr. Huang
“PRC”	The People’s Republic of China
“Properties”	Property I, Property II and Property III
“Property I”	the premises located at Flat 3610-11, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場36樓西區3610-11室) with a gross floor area of 333.43 sq.m.

“Property II”	the premises located at Flat 3609, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場36樓西區3609室) with a gross floor area of 321.83 sq.m.
“Property III”	the premises located at Flat 3607-08, 36/F., West Zone, Great China International Exchange Square, Jintian South Road, Futian District, Shenzhen, the PRC (中國深圳市福田區金田南路大中華國際交易廣場36樓西區3607-08室) with a gross floor area of 547 sq.m.
“Property Lease Agreement I”	the lease agreement dated 1 March 2023 entered into between Waytung China and GCI in relation to the lease of Property I for a term of 13 months from 1 March 2023 to 31 March 2025
“Property Lease Agreement II”	the lease agreement dated 1 March 2023 entered into between Great China (Huizhou) and GCI in relation to the lease of Property II for a term of 13 months from 1 March 2023 to 31 March 2025
“Property Lease Agreement III”	the lease agreement dated 1 March 2023 entered into between Great China (Shanwei) and GCI in relation to the lease of Property III for a term of 13 months from 1 March 2023 to 31 March 2025
“Property Lease Agreements”	the Property Lease Agreement I, the Property Lease Agreement II and the Property Lease Agreement III
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions under the Property Lease Agreements
“Waytung China”	滙通天下控股(中國)有限公司 (Waytung Global Holding (China) Limited*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Company

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“%”	per cent.

For the purposes of illustration only, the amount denominated in RMB in this announcement are translated into HK\$ at the rate of RMB1 = HK\$1.10. Such translation should not be construed as a representation that the currency could actually be converted into HK\$ at that rate or at all.

* *for identification purposes only*

By Order of the Board
Great China Holdings (Hong Kong) Limited
Huang Shih Tsai
Chairman

Hong Kong, 1 March 2024

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Huang Shih Tsai (Chairman) and Ms. Huang Wenxi (Chief Executive Officer), one Non-executive Director, namely Mr. Li Zhizhen, three Independent Non-executive Directors, namely Mr. Cheng Hong Kei, Mr. Leung Kwan, Hermann and Mr. Wang Hongxin Charles.