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## **ENVISION GREENWISE HOLDINGS LIMITED**

**晉景新能控股有限公司**

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

**(Stock Code: 1783)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF RIGHT-OF-USE ASSET FOR LEASE OF LOTS T2 AND T3 IN ECOPARK**

#### **THE LEASE**

The Board is pleased to announce that on 13 May 2024, the Tenant, a wholly-owned subsidiary of the Company, has entered into the Lease with the Landlord pursuant to an award of tender lease for Lots T2 and T3 in EcoPark in April 2024. Pursuant to the Lease, the term of the Lease is 20 years and the leased area is approximately 9,420m<sup>2</sup>.

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

In accordance with HKFRS 16, the Company is required to recognise a right-of-use asset in connection with the Lease in its consolidated financial statements. Accordingly, the transaction under the Lease will constitute an asset acquisition transaction for the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the value of the right-of-use asset recognised by the Company under the Lease exceeds 5% but is below 25%, the Lease constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that on 13 May 2024, the Tenant, a wholly-owned subsidiary of the Company, has entered into the Lease with the Landlord pursuant to an award of tender lease for Lots T2 and T3 in EcoPark in April 2024. Pursuant to the Lease, the term of the Lease is 20 years and the leased area is approximately 9,420m<sup>2</sup>.

## PRINCIPAL TERMS OF THE LEASE

The principal terms of the Lease are set out as follows:

Date	:	13 May 2024.
Landlord	:	The Chief Executive on behalf of the Government of the Hong Kong Special Administrative Region as the Landlord.
Tenant	:	Chun Yang International (HK) Company Limited (a wholly-owned subsidiary of the Company) as the Tenant.
Premises	:	Lots T2 and T3 in EcoPark, 133, Lung Mun Road, Tuen Mun Area 38, N.T. with the leased area of approximately 9,420m <sup>2</sup> .
Term	:	20 years commencing on 29 May 2024 or the date of delivery of possession of the Premises by the Landlord to the Tenant, whichever is the earlier.
Usage	:	Operation of processing business in relation to retired power battery.
Rent	:	HK\$5,878,080 per annum (i.e. HK\$489,840 per calendar month) for the first five years of the Term, subject to review for each subsequent five-year period, whereby the revised rent shall be calculated with reference to consumer price index as announced or published by the Census and Statistics Department of Hong Kong (“CPI”), being the initial rent X (the latest CPI/ the CPI of the month of commencement of the Term).
		The initial rent is based on the tender document submitted by the Group having determined with reference to, among others, (i) the historical rental at EcoPark, (ii) the prevailing market rental for industrial land use premises, and (iii) availability of industrial land use premises in Hong Kong.
		The amounts payable by the Tenant under the Lease will be satisfied by internal resources of the Group.
Deposit	:	HK\$5,939,040, equivalent to 6 month’s rent plus a further amount of HK\$3,000,000.

Security : A cashier's order in the sum of HK\$2 million to secure and guarantee the Tenant's due performance and observance of the terms and conditions of the Lease

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

Pursuant to HKFRS 16, the Company will recognise a right-of-use asset in connection with the Lease in its consolidated financial statements, in the estimated amount of approximately HK\$79.1 million (subject to review by the Company's auditors), which is calculated with reference to the present value of the aggregate base rental payable during the term of the Lease.

## **INFORMATION OF THE LANDLORD**

The Landlord is the Chief Executive on behalf of the Government of the Hong Kong Special Administrative Region and an Independent Third Party of the Group.

## **INFORMATION OF THE COMPANY AND THE TENANT**

The Company is a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Stock Exchange (stock code: 1783). The principal activity of the Group is the provision of superstructure building and repair, maintenance, alteration and addition ("RMAA") work service as a main contractor in Hong Kong and provision of reverse supply chain management and environmental-related service. The Company engages in green energy businesses including power battery processing and battery energy storage system ("BESS") business globally.

The Tenant is a wholly-owned subsidiary of the Company incorporated in Hong Kong. The principal activity of the Tenant is operating battery recycling, provision of reverse supply chain management and environmental-related service.

## **REASONS FOR AND BENEFITS OF THE LEASE**

EcoPark, Hong Kong's first green recycling-business park, is a facility of the Environmental Protection Department of Hong Kong specially constructed for green recycling industry. The Lease of Lot 2 and Lot 3 of the EcoPark will provide an area of approximately 9,420m<sup>2</sup> to the Group for developing retired power battery processing business, with a view to enhance the Group's industry layout in reverse supply chain management and environmental-related service. The Lease of 20 years will provide business continuation for the Group in green industry and is in the ordinary and usual course of business of the Group.

The terms of the Lease (including the aggregate rent payable) were determined after public tender by the Environmental Protection Department of Hong Kong. Considering the business and development strategy of the Group with regard to environmental-related businesses, the Board considers that it is a justifiable business decision to enter into the Lease under the terms thereof. The Board considers that the terms and conditions of the Lease is on normal commercial terms that are fair and reasonable and is in the interest of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

In accordance with HKFRS 16, the Company is required to recognise a right-of-use asset in connection with the Lease in its consolidated financial statements. Accordingly, the transaction under the Lease will constitute an asset acquisition transaction for the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the value of the right-of-use asset recognised by the Company under the Lease exceeds 5% but is below 25%, the Lease constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

“Board”	the board of the Directors
“Company”	Envision Greenwise Holdings Limited,
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Landlord”	the Chief Executive on behalf of the Government of the Hong Kong Special Administrative Region

“Lease”	the Lease of Lots T2 and T3 in EcoPark by the Landlord to the Tenant for the term of 20 years commencing on 29 May 2024 or the date of delivery of possession of the Premises by the Landlord to the Tenant, whichever is the earlier
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	Lots T2 and T3 in EcoPark, 133, Lung Mun Road, Tuen Mun Area 38, N.T. with the leased area of approximately 9,420m <sup>2</sup>
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Tenant”	Chun Yang International (HK) Company, a wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability
“Term”	20 years commencing on 29 May 2024 or the date of delivery of possession of the Premises by the Landlord to the Tenant, whichever is the earlier
“%”	per cent.

By order of the Board  
**Envision Greenwise Holdings Limited**  
**KWOK Chun Sing**  
*Chairman and executive Director*

Hong Kong, 13 May 2024

*As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Kwok Chun Sing, Mr. Tang Chi Kin, Mr. Zhan Zhi Hao and Ms. Kwok Ho Yee and four independent non-executive Directors, namely, Mr. Hau Wing Shing Vincent, Mr. Yu Chung Leung, Mr. Lam John Cheung-wah and Professor Sit Wing Hang.*