CIRTEK HOLDINGS LIMITED
常達控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1433)

MAJOR TRANSACTION IN RELATION TO THE LEASE

The Board announces that on 23 July 2024 (after trading hours), the Lessee (a wholly-owned subsidiary of the Company) as lessee, and the Lessor (an Independent Third Party) as lessor entered into the Lease in relation to the lease of the Premises for a term of fifteen (15) years commencing from 10 November 2024 and expiring on 9 November 2039 (both days inclusive).

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the acquisition of right-of-use assets of the Premises recognised by the Group pursuant to HKFRS 16 under the Lease is 25% or more but is less than 100%, the entering into of the Lease constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained a written approval for the Lease and the transactions contemplated thereunder from its controlling Shareholder holding more than 50% of the voting rights as at the date of this announcement. Accordingly, the Lease and the transactions contemplated thereunder have been approved by way of written Shareholders' approval in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

A circular (for information purposes only) containing, among other things, further details of the Lease and the transactions contemplated thereunder, will be despatched to the Shareholders on or before 13 August 2024.

INTRODUCTION

The Board announces that on 23 July 2024 (after trading hours), the Lessee (a wholly-owned subsidiary of the Company) as lessee, and the Lessor (an Independent Third Party) as lessor entered into the Lease in relation to the lease of the Premises for a term of fifteen (15) years commencing from 10 November 2024 and expiring on 9 November 2039 (both days inclusive).

THE LEASE

The principal terms of the Lease are as follows:

Date	:	23 July 2024
Parties	:	(1) Boluo County Shiwan Town Shiwan Village Yaowu Joint Stock Economic Cooperative (博羅縣石灣鎮石灣村姚屋股份經濟合作社) (an Independent Third Party) as Lessor; and (2) Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司) (a wholly-owned subsidiary of the Company) as Lessee To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Lessor and its ultimate beneficial owner(s) are Independent Third Parties.
Premises	:	The factory located at No. 70, Honghai Road, Shiwan Village, Shiwan Town, Boluo County, with a total area of approximately 23,828 sq.m.
Term	:	Fifteen (15) years commencing from 10 November 2024 and expiring on 9 November 2039 (both days inclusive)

Annual rent	:	The annual rent payable by the Lessee is as follows: (a) from 10 November 2024 to 9 November 2029: RMB2,859,360.00 (the lessee shall enjoy a rent-free period for six (6) months from 10 November 2024 to 9 May 2025); (b) from 10 November 2029 to 9 November 2034: RMB3,145,296.00; and (c) from 10 November 2034 to 9 November 2039: RMB3,459,825.60. The annual rent is payable in monthly instalments by the Lessee on or before the 15th day of each and every calendar month during the term of the Lease. The annual rent is exclusive of the relevant rates, management fees, utility charges and government fees, which shall be paid and discharged punctually by the Lessee during the term of the lease of the Premises, including the said rent-free period. The annual rent was determined after arm's length negotiations between the parties with reference to the prevailing market rent for comparable premises in the vicinity of the Premises.
Rental deposit	:	RMB500,000.00
Use of the Premises	:	Manufacturing and sale of printing products

THE RIGHT-OF-USE ASSET

Pursuant to HKFRS 16 “Leases”, the Group will recognise a right-of-use asset in its financial statements when the Group enters into a lease transaction as the lessee and such transaction will be deemed to be an acquisition of a capital asset for the purpose of the Listing Rules. The value of the right-of-use asset to be recognised by the Group under the Lease is estimated to be approximately RMB34.0 million, which is calculated in accordance with HKFRS 16 “Leases” with reference to the present value of the aggregated lease payments to be made under the Lease.

INFORMATION OF THE PARTIES

The Lessee is a limited liability company incorporated in the PRC, and is principally engaged in manufacturing and sale of printing products.

The Lessor is a rural collective economic organisation in the PRC, and is principally engaged in collective rural asset operation and management and resource development. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Lessor and its ultimate beneficial owners are Independent Third Parties.

REASONS AND BENEFITS FOR ENTERING INTO THE LEASE

The Company is an investment holding company. The Group principally engages in manufacturing and sale of printing products. As such, the Premises where the Group places its equipments and carries on its business is of material importance. Given that the current lease for the Premises is expected to expire in November 2024, the Directors consider that continue leasing the Premises with competitive rental terms (such as the offering of rent free period) will be in the interests of the Company and the Shareholders as a whole, as well as avoiding relocation and refurbishment costs which the Group would otherwise have to incur. The annual rent was determined after arm’s length negotiations between the parties with reference to the prevailing market rent for comparable premises in the vicinity of the Premises. The Directors, including the independent non-executive Directors, are of the view that the Lease has been entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms and conditions of the Lease, including the lease payments, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the acquisition of right-of-use assets of the Premises recognised by the Group pursuant to HKFRS 16 under the Lease is 25% or more but is less than 100%, the entering into of the Lease constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge of the Directors, no Shareholder has a material interest in the Lease and the transactions contemplated thereunder, and no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company were to convene such a general meeting. As at the date of this announcement, the Company has obtained a written approval for the Lease and the transactions contemplated thereunder from its controlling Shareholder Charming International, which holds 1,308,000,000 Shares, representing approximately 65.4% of the total issued Shares as at the date of this announcement. Accordingly, the Lease and the transactions contemplated thereunder have been approved by way of written Shareholders' approval in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

GENERAL

A circular (for information purposes only) containing, among other things, further details of the Lease and the transactions contemplated thereunder, will be despatched to the Shareholders on or before 13 August 2024.

DEFINITIONS

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

"Board"	the Board of Directors
"Charming International"	Charming International Limited, the controlling Shareholder of the Company which is holding 1,308,000,000 Shares (representing approximately 65.4% of the total issued Shares) as at the date of this announcement, and is beneficially owned as to 51.0% by Mr. Chan Sing Ming Barry and 49.0% by Ms. Law Miu Lan, both of whom are executive Directors

"Company"	Cirtek Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 1433)
"connected person(s)"	has the meaning 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
"HKFRS(s)"	Hong Kong Financial Report 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
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected person(s)
"Lease"	the lease dated 23 July 2024 entered into by the Lessee as lessee, and the Lessor as lessor in relation to the lease of the Premises
"Lessee"	Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
"Lessor"	Boluo County Shiwan Town Shiwan Village Yaowu Joint Stock Economic Cooperative (博羅縣石灣鎮石灣村姚屋股份經濟合作社), a rural collective economic organization in the PRC
"Premises"	the factory located at No. 70, Honghai Road, Shiwan Village, Shiwan Town, Boluo County, with a total area of approximately 23,828 sq.m.
"RMB"	Renminbi, the lawful currency of the PRC

"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	ordinary share(s) of HK$0.01 par value each in the issued share capital of the Company
"sq.m."	square metre
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent.

By order of the Board
Cirtek Holdings Limited
CHAN Sing Ming Barry
Chairman and Executive Director

Hong Kong, 23 July 2024

As at the date of this announcement, the Board comprises Mr. Chan Sing Ming Barry, Ms. Law Miu Lan and Mr. Chan Tsz Fung being executive Directors; and Mr. Lam Chor Ki Dick, Mr. Lee Tak Cheong and Ms. Luk Mei Yan being independent non-executive Directors.