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Superland Group Holdings Limited

德合集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 368)

DISCLOSEABLE TRANSACTION IN RELATION TO THE LEASE AGREEMENT

THE LEASE AGREEMENT

The Board announces that on 2 September 2024, the Lessee, an indirectly wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Lessor, an Independent Third Party, for the lease of the Premises for a fixed term commencing on 2 September 2024 and expiring on 31 August 2029 (both days inclusive). The Premises will be used by the Lessee as its office premises in Hong Kong for its business operations.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 “Leases”, the entering into the Lease Agreement is recognised by the Group as a right-of-use asset in the consolidated statement of financial position of the Company for an amount of approximately HK\$18.0 million, which is calculated with reference to the present value of the aggregated rental payments to be made under the Lease Agreement. The above figure is unaudited and may be subject to further adjustment in the future. Accordingly, the entering into of the Lease Agreement will be regarded as an acquisition of an asset by the Group pursuant to Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the estimated value of the right-of-use asset to be recognised by the Group under the Lease Agreement exceeds 5% but all applicable percentage ratios are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 2 September 2024, the Lessee, an indirectly wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Lessor, an Independent Third Party, for the lease of the Premises for a fixed term commencing on 2 September 2024 and expiring on 31 August 2029 (both days inclusive). The Premises will be used by the Lessee as its office premises in Hong Kong for its business operations.

PRINCIPAL TERMS OF THE LEASE AGREEMENT

Date	:	2 September 2024
Parties	:	(a) Success Base Engineering Limited (as the Lessee); and (b) Spring Yield Investments Limited (as the Lessor).
Premises	:	The entire eighteenth floor of Chevalier Commercial Centre, No.8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong.
Term	:	A fixed term commencing on 2 September 2024 and expiring on 31 August 2029 (both days inclusive).
Rent-free period	:	The Lessee is entitled to (i) an initial rent-free period up to 30 November 2024; (ii) a second rent-free period of one month in August 2025; and (iii) a third rent-free period of one month in August 2026.
Rent payable	:	HK\$331,800.00 per month for the period from 2 September 2024 to 31 July 2027; and HK\$364,980.00 per month for the period from 1 August 2027 to 31 August 2029, exclusive of Government rent, Government rates, service charge and other outgoings. The Lessee shall be responsible for the payment of Government rent, Government rates, service charge and other outgoings over the term of the Lease Agreement.
Tenancy deposit	:	HK\$1,459,055.80, being three months' rent, three months' service charge, one quarter's Government rates and one quarter's Government rent.

The rental payments, Government rent, Government rates and service charge over the term of the Lease Agreement will be funded by internal financial resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The Premises will be used by the Lessee as its office premises in Hong Kong for its business operations.

The current lease of the Group's office premises will expire in December 2024. In evaluating the options of renewal of the current lease or leasing a new office, the Directors consider that (i) the Premises is situated in a well-developed office building in the heart of one of the commercial zones in Kowloon with better amenities; and (ii) the floor area of the Premises is larger than that of the existing office. As such, the entering into of the Lease Agreement is beneficial for the business operation and development of the Group.

The terms of the Lease Agreement, including the rental payment, were determined after arm's length negotiations between the Lessor and Lessee and with reference to the prevailing market rental of comparable properties of a similar type and location.

In light of the above, the Board considers that the Lease Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

The Lessee and the Group

The Lessee is an indirectly wholly-owned subsidiary of the Company.

Both the Lessee and the Group are principally engaged in the provision of fitting-out services and repair and maintenance services to residential and commercial properties in Hong Kong.

The Lessor

The Lessor is a property investment company whose principal activities are investing in and leasing of properties in Hong Kong.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Lessor is ultimately controlled and owned by Choy Hon Ping as to 75% of its issued shares, and the Lessor and its ultimate beneficial owner is an Independent Third Party.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 "Leases", the entering into the Lease Agreement is recognised by the Group as a right-of-use asset in the consolidated statement of financial position of the Company for an amount of approximately HK\$18.0 million, which is calculated with reference to the present value of the aggregated rental payments to be made under the Lease Agreement. The above figure is unaudited and may be subject to further adjustment in the future. Accordingly, the entering into of the Lease Agreement will be regarded as an acquisition of an asset by the Group pursuant to Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the estimated value of the right-of-use asset to be recognised by the Group under the Lease Agreement exceeds 5% but all applicable percentage ratios are less than 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Superland Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Government”	the Government of Hong Kong;
“Group”	the Company and its subsidiaries;
“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;
“Independent Third Party(ies)”	a third party independent of the Company and the connected persons of the Company;
“Lease Agreement”	the lease agreement dated 2 September 2024 entered into between the Lessee and the Lessor in respect of the leasing of the Premises, particulars of which are set out in this announcement;
“Lessee”	Success Base Engineering Limited, a company incorporated in Hong Kong with limited liability, which is an indirectly wholly-owned by the Company;
“Lessor”	Spring Yield Investments Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Premises”	has the meaning as ascribed to it under the section titled “Principal terms of the Lease Agreement” in this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By Order of the Board
Superland Group Holdings Limited
Mr. Ng Chi Chiu
Chairman, chief executive officer and executive Director

Hong Kong, 2 September 2024

As at the date of this announcement, the executive Directors are Mr. Ng Chi Chiu and Ms. Zhao Haiyan Chloe; and the independent non-executive Directors are Mr. Yip Kit Chau, Mr. Law Hung Wai, CPA and Mr. Ip Sze Ching.