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**CHINA WANTIAN HOLDINGS LIMITED**

**中國萬天控股有限公司**

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

**(Stock Code: 1854)**

**DISCLOSEABLE AND CONNECTED TRANSACTIONS:  
ENTERING INTO RENEWED CATERING TENANCY AGREEMENT  
AND RENEWED OFFICE TENANCY AGREEMENT  
AND  
CONTINUING CONNECTED TRANSACTIONS:  
ENTERING INTO RENEWED MANAGEMENT SERVICE AGREEMENTS**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**



**RENEWED CATERING TENANCY AGREEMENT AND RENEWED OFFICE  
TENANCY AGREEMENT**

On 15 July 2024, Shenzhen Wantian Catering entered into the Renewed Catering Tenancy Agreement with Wangu Basket, pursuant to which Shenzhen Wantian Catering agreed to lease Enlarged Catering Premises for a term of three (3) years during the Lease Period. On the same day, Shenzhen Wantian Enterprise Zhongshan Branch entered into the Renewed Office Tenancy Agreement with Wangu Business Management, pursuant to which Shenzhen Wantian Enterprise Zhongshan Branch agreed to lease Enlarged Office Premises for a term of three (3) years during the Lease Period.

## **RENEWED MANAGEMENT SERVICE AGREEMENTS**

In view of the entering into of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement, on 15 July 2024, each of Shenzhen Wantian Catering and Shenzhen Wantian Enterprise Zhongshan Branch respectively entered into the Renewed Catering Management Service Agreement and the Renewed Office Management Service Agreement with Wangu Business Management, pursuant to which Wangu Business Management agreed to provide management services in relation to Enlarged Catering Premises and Enlarged Office Premises respectively for a term of three (3) years during the Lease Period.

## **LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 “*Leases*”, the leases contemplated under the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement will be recognised as right-of-use assets in relation to such agreements (with fixed lease payments) and will be regarded as an acquisition of assets by the Group under Rule 14A.24(1) of the Listing Rules. In addition, the Group (i) recognised the value of the right-of-use assets for the total amount of approximately RMB8,438,000 in connection with the lease of Existing Catering Premises under the Existing Catering Tenancy Agreement; (ii) recognised the value of the right-of-use assets for the total amount of approximately RMB587,000 in connection with the lease of Existing Office Premises under the Existing Office Tenancy Agreement; (iii) will recognise the value of the right-of-use assets for a total amount of approximately RMB24,671,000 in connection with the lease of Enlarged Catering Premises under the Renewed Catering Tenancy Agreement; and (iv) will recognise the value of the right-of-use assets for a total amount of approximately RMB3,430,000 in connection with the lease of Enlarged Office Premises under the Renewed Office Tenancy Agreement on its consolidated statement of financial position. Shareholders should note that the abovementioned figures are unaudited and may be subject to adjustment in the future.

Given that the transactions contemplated under the Renewed Catering Tenancy Agreement, the Renewed Office Tenancy Agreement together with the Existing Catering Tenancy Agreement and the Existing Office Tenancy Agreement are of similar nature and were all entered into within a 12-month period, and the lessors under the aforesaid agreements belong to the same group of connected persons of the Company, these transactions are required to be aggregated and to be treated as if they were one transaction pursuant to Rules 14.22, 14.23 and 14A.81 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use assets recognised by the Group under the Renewed Catering Tenancy Agreement, the Renewed Office Tenancy Agreement together with the Existing Catering Tenancy Agreement and the Existing Office Tenancy Agreement exceeds 5% but is less than 25% on an aggregate basis, the transactions contemplated under the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement constitute a discloseable transaction of the Company, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, (i) Mr, Zhong is a director of Wangu Basket, which is ultimately beneficially owned as to approximately 59.6% and approximately 39.8% by Dr. Hooy and Mr. Zhong, respectively; and (ii) Wangu Business Management is ultimately beneficially owned as to 59.4% and 39.6% by Dr. Hooy and Mr. Zhong, respectively. Therefore, Wangu Basket and Wangu Business Management are associates of each of Dr. Hooy and Mr. Zhong. Each of Wangu Basket and Wangu Business Management is a connected person of the Company. Accordingly, the entering into of each of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use assets recognised by the Group under the Renewed Catering Tenancy Agreement, the Renewed Office Tenancy Agreement together with the Existing Catering Tenancy Agreement and the Existing Office Tenancy Agreement exceeds 5%, the transactions contemplated under the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement are also subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Wangu Business Management is a connected person of the Company and the transactions contemplated under the Renewed Management Service Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Given that the transactions contemplated under the Renewed Catering Management Service Agreement entered into in respect of Enlarged Catering Premises and the Renewed Office Management Service Agreement entered into in respect of Enlarged Office Premises are of similar nature and were all entered into at the same time, and the management service provider under both agreements is Wangu Business Management, such transactions are required to be aggregated and to be treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the annual cap for the Renewed Management Service Agreements on an aggregate basis exceeds 0.1% but is less than 5%, the entering into of the Renewed Management Service Agreements is subject to the reporting, annual review and announcement requirements but is exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Independent Board Committee has been formed to advise the Independent Shareholders as to the fairness and the reasonableness of the terms of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder and as to how to vote at the EGM.

Octal Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

## **EGM**

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder. In view of the interests of Dr. Hooy and Mr. Zhong, each of Dr. Hooy, Mr. Zhong and their respective associates will abstain from voting in relation to the resolutions to approve the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder at the EGM.

As additional time is required to prepare and/or finalise certain information to be included in the circular to the Shareholders, the Company expects that the circular, containing, among other things, (i) further information of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement, together with a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (ii) the notice of the EGM, will be despatched to the Shareholders on or before 30 August 2024.

## **ENTERING INTO THE RENEWED CATERING TENANCY AGREEMENT**

Reference is made to the CT Announcement in relation to, among others, the Existing Catering Tenancy Agreement regarding the lease of Existing Catering Premises for the catering operation in the Greater Bay Area. As part of the execution of the Group's business plan and for the purpose of expanding the catering network, Wantian Catering Zhongshan and Wangu Basket have agreed to renew the Existing Catering Tenancy Agreement by means of Shenzhen Wantian Catering's entering into the Renewed Catering Tenancy Agreement in respect of the lease of Enlarged Catering Premises, which cover the area of Existing Catering Premises, subject to the approval of the Renewed Catering Tenancy Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM. Upon the Renewed Catering Tenancy Agreement becoming effective, all rights and obligations of Wantian Catering Zhongshan and Wangu Basket under the Existing Catering Tenancy Agreement shall be released and discharged and Wangu Basket shall refund Wantian Catering Zhongshan the security deposit of approximately RMB678,000 accordingly.

The Board announces that on 15 July 2024, Shenzhen Wantian Catering entered into the Renewed Catering Tenancy Agreement with Wangu Basket, pursuant to which Shenzhen Wantian Catering agreed to lease Enlarged Catering Premises for a term of three (3) years during the Lease Period.

The principal terms of the Renewed Catering Tenancy Agreement are as follows:

Date: 15 July 2024

Parties: (i) Shenzhen Wantian Catering (as lessee); and

(ii) Wangu Basket (as lessor)

Premises: Premises having an aggregate lettable area of 11,975.33 sq.m., comprising:

(i) The entire Level 1;

(ii) Shop units 501, 502, 503, 504 and 506 on Level 5; and

(iii) Shop units 601 and 602 on Level 6 and Level 7,

Wangu Shopping Basket Plaza, No. 9 Tianwang Road, Shagang, Dongqu Subdistrict, Zhongshan, Guangdong, the PRC\*

(中國廣東省中山市東區沙崗天王路9號萬谷菜籃子廣場(i)壹層全層;  
(ii)五層501, 502, 503, 504及506號商舖 ; 及(iii)六層601及602號及七層商舖)

(collectively, “**Enlarged Catering Premises**”)

Term: Three (3) years during the Lease Period

Upon the expiry of the Renewed Catering Tenancy Agreement, Shenzhen Wantian Catering shall enjoy a priority right to lease Enlarged Catering Premises by notifying Wangu Basket in writing sixty (60) calendar days before the expiry of the lease term.

Monthly rental (Note): Approximately RMB749,000 (inclusive of tax), payable in advance by the fifth day of each calendar month

Security deposit: Approximately RMB1,375,000, equivalent to two (2) months' rental (excluding tax), shall be paid to Wangu Basket on the date of entering into the Renewed Catering Tenancy Agreement.

Usage: Catering and retail

Conditions precedent: The effectiveness of the Renewed Catering Tenancy Agreement is conditional upon the following conditions precedent having been fulfilled:

- (a) all necessary consents and approvals in connection with the Renewed Catering Tenancy Agreement and the transactions contemplated thereunder having been obtained by Wangu Basket and remaining valid;
- (b) all necessary consents and approvals in connection with the Renewed Catering Tenancy Agreement and the transactions contemplated thereunder having been obtained by the Company, including the consent from the Stock Exchange;
- (c) the Company having issued an announcement and a circular in relation to the Renewed Catering Tenancy Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (d) the approval of the Renewed Catering Tenancy Agreement and the transactions contemplated thereunder having been obtained from the Independent Shareholders at the EGM in accordance with the Listing Rules, the articles of association of the Company and the applicable laws and regulations.

None of the above conditions are waivable by any parties. If the above conditions have not been fulfilled on or before 30 September 2024 or such later date as the parties may otherwise agree in writing, all rights, obligations and liabilities of the parties pursuant to the Renewed Catering Tenancy Agreement shall cease to have effect and terminate and either party shall have no claim against the other party save for any antecedent breach or otherwise stipulated in the Renewed Catering Tenancy Agreement. In such event, Wangu Basket shall forthwith return the relevant security deposit to Shenzhen Wantian Catering.

*Note:* The monthly rental excludes management fee, utilities charges and other outgoings.

The rental payable under the Renewed Catering Tenancy Agreement was determined after arm's length negotiations between Shenzhen Wantian Catering and Wangu Basket, taking into account (i) the prevailing market conditions and the prevailing market rent for similar premises in the vicinity of Enlarged Catering Premises; and (ii) the draft property valuation report prepared by an independent valuer. The rental payable by the Group under the Renewed Catering Tenancy Agreement is expected to be financed by the internal resources of the Group.

## ENTERING INTO THE RENEWED OFFICE TENANCY AGREEMENT

Reference is made to the CT Announcement in relation to, among others, the Existing Office Tenancy Agreement regarding the lease of Existing Office Premises as the principal place of business in the PRC.

Pursuant to the Existing Office Tenancy Agreement, the lease of Existing Office Premises will expire on 31 July 2024. To cope with and provide adequate support for the Group's development of the catering business in the Greater Bay Area, the Group has decided to expand the office area.

The Board announces that on 15 July 2024, Shenzhen Wantian Enterprise Zhongshan Branch entered into the Renewed Office Tenancy Agreement with Wangu Business Management, pursuant to which Shenzhen Wantian Enterprise Zhongshan Branch agreed to lease Enlarged Office Premises for a term of three (3) years during the Lease Period. In view of the expiry of the Existing Office Tenancy Agreement on 31 July 2024, Wangu Business Management has agreed to grant a rent-free period to Shenzhen Wantian Enterprise Zhongshan Branch for the maintenance of Existing Office Premises until the Renewed Office Tenancy Agreement takes effect.

The principal terms of the Renewed Office Tenancy Agreement are as follows:

Date: 15 July 2024

Parties: (i) Shenzhen Wantian Enterprise Zhongshan Branch (as lessee); and  
(ii) Wangu Business Management (as lessor)

Premises: Premises having an aggregate lettable area of 2,511 sq.m. located at Unit A401 on Level 4 of Block A and Units B401–405 on Level 4 of Block B, Wangu Plaza, No. 10 Xinglong Road, Shagang, Dongqu Subdistrict, Zhongshan, Guangdong, the PRC\* (中國廣東省中山市東區沙崗興龍路10號萬谷廣場A座四層A401及B座四層B401–405) (collectively, “**Enlarged Office Premises**”)



Term: Three (3) years during the Lease Period

Upon the expiry of the Renewed Office Tenancy Agreement, Shenzhen Wantian Enterprise Zhongshan Branch shall enjoy a priority right to lease Enlarged Office Premises by notifying Wangu Business Management in writing sixty (60) calendar days before the expiry of the lease term.

Monthly rental  
(Note): Approximately RMB104,000 (inclusive of tax), payable in advance by the fifth day of each calendar month

Security deposit: Approximately RMB191,000, equivalent to two (2) months' rental (excluding tax), shall be paid to Wangu Business Management on the date of entering into the Renewed Office Tenancy Agreement.

Usage: Office

Conditions precedent: The effectiveness of the Renewed Office Tenancy Agreement is conditional upon the following conditions precedent having been fulfilled:

- (a) all necessary consents and approvals in connection with the Renewed Office Tenancy Agreement and the transactions contemplated thereunder having been obtained by Wangu Business Management and remaining valid;
- (b) all necessary consents and approvals in connection with the Renewed Office Tenancy Agreement and the transactions contemplated thereunder having been obtained by the Company, including the consent from the Stock Exchange;
- (c) the Company having issued an announcement and a circular in relation to the Renewed Office Tenancy Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (d) the approval of the Renewed Office Tenancy Agreement and the transactions contemplated thereunder having been obtained from the Independent Shareholders at the EGM in accordance with the Listing Rules, the articles of association of the Company and the applicable laws and regulations.



None of the above conditions are waivable by any parties. If the above conditions have not been fulfilled on or before 30 September 2024 or such later date as the parties may otherwise agree in writing, all rights, obligations and liabilities of the parties pursuant to the Renewed Office Tenancy Agreement shall cease to have effect and terminate and either party shall have no claim against the other party save for any antecedent breach or otherwise stipulated in the Renewed Office Tenancy Agreement. In such event, Wangu Business Management shall forthwith return the relevant security deposit to Shenzhen Wantian Enterprise Zhongshan Branch.

*Note:* The monthly rental excludes management fee, utilities charges and other outgoings.

The rental payable under the Renewed Office Tenancy Agreement was determined after arm's length negotiations between Shenzhen Wantian Enterprise Zhongshan Branch and Wangu Business Management, taking into account (i) the prevailing market conditions and the prevailing market rent for similar premises in the vicinity of Enlarged Office Premises; and (ii) the draft property valuation report prepared by an independent valuer. The rental payable by the Group under the Renewed Office Tenancy Agreement is expected to be financed by the internal resources of the Group.

## **ENTERING INTO THE RENEWED MANAGEMENT SERVICE AGREEMENTS**

Given the renewal of the Existing Catering Tenancy Agreement, Wantian Catering Zhongshan and Wangu Business Management have also agreed to renew the Existing Catering Management Service Agreement by means of Shenzhen Wantian Catering's entering into the Renewed Catering Management Service Agreement, subject to the Renewed Catering Tenancy Agreement becoming effective. Upon the Renewed Catering Management Service Agreement taking effect, all rights and obligations of Wantian Catering Zhongshan and Wangu Business Management under the Existing Catering Management Service Agreement shall be released and discharged.

In view of the entering into of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement, the Board announces that on 15 July 2024, each of Shenzhen Wantian Catering and Shenzhen Wantian Enterprise Zhongshan Branch respectively entered into the Renewed Catering Management Service Agreement and the Renewed Office Management Service Agreement with Wangu Business Management, pursuant to which Wangu Business Management agreed to provide management services in relation to Enlarged Catering Premises and Enlarged Office Premises during the Lease Period, respectively.

The principal terms of the Renewed Management Service Agreements are summarised below:

	<b>Renewed Catering Management Service Agreement</b>	<b>Renewed Office Management Service Agreement</b>
Date:	15 July 2024	15 July 2024
Parties:	(i) Shenzhen Wantian Catering; and  (ii) Wangu Business Management	(i) Shenzhen Wantian Enterprise Zhongshan Branch; and  (ii) Wangu Business Management
Term:	Three (3) years during the Lease Period, subject to the Renewed Catering Tenancy Agreement becoming effective	Three (3) years during the Lease Period, subject to the Renewed Office Tenancy Agreement becoming effective
Subject:	Wangu Business Management shall provide certain property management services in respect of Enlarged Catering Premises and Enlarged Office Premises (as the case may be), which include security, regular maintenance, garbage clearance, water and electricity, cleaning, elevator maintenance, management of common areas and common facilities, greening, traffic control and parking management, fire safety maintenance and customer services.	
Service fees:	(a) monthly management fee of approximately RMB104,000 (inclusive of tax) plus utilities charges, payable in advance by the fifth day of each calendar month; and  (b) yearly fire service maintenance fee of approximately RMB38,000 (inclusive of tax), payable in advance by the fifth day of the first month of the year	(a) monthly management fee of approximately RMB14,000 (inclusive of tax) plus utilities charges, payable in advance by the fifth day of each calendar month; and  (b) yearly fire service maintenance fee of approximately RMB5,000 (inclusive of tax), payable in advance by the fifth day of the first month of the year

**Renewed Catering  
Management Service  
Agreement**

**Renewed Office Management  
Service Agreement**

Utilities deposit:	A deposit of RMB130,000 shall be paid to Wangu Business Management on the date of entering into the Renewed Catering Management Service Agreement.	A deposit of RMB30,000 shall be paid to Wangu Business Management on the date of entering into the Renewed Office Management Service Agreement.
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**Pricing policies**

The service fees were arrived at after arm's length negotiations between the parties under the Renewed Management Service Agreements with reference to (i) the prevailing market conditions and the prevailing market management fees for similar premises in the vicinity of Enlarged Catering Premises and Enlarged Office Premises (as the case may be); and (ii) the actual amounts of utilities charges and fire service maintenance fees being charged to Wangu Business Management by the local utility bureaus and/or independent third party service providers without any mark-up.

**Historical transaction amounts**

The historical management service fees, utilities charges and fire service maintenance fees paid by the Group to Wangu Business Management and its associates for the year ended 31 March 2023 and the nine months ended 31 December 2023 were as follows:

	<b>For the year ended 31 March 2023 RMB</b>	<b>For the nine months ended 31 December 2023 RMB</b>
Historical transaction amount	<u>580,000</u>	<u>2,036,000</u>

## Annual caps

The maximum aggregate period and/or annual amount in respect of the Renewed Management Service Agreements for the period from 1 October 2024 to 31 December 2024, the two years ending 31 December 2026 and the period from 1 January 2027 to 30 September 2027 shall not exceed the caps set out below:

	<b>For the period from 1 October 2024 to 31 December 2024 RMB</b>	<b>For the year ending 31 December 2025 RMB</b>	<b>For the year ending 31 December 2026 RMB</b>	<b>For the period from 1 January 2027 to 30 September 2027 RMB</b>
Renewed Catering Management Service Agreement	2,022,000	8,090,000	8,090,000	6,068,000
Renewed Office Management Service Agreement	120,000	480,000	480,000	360,000

## Basis of determination

The annual caps for the service fees under the Renewed Management Service Agreements are each determined with reference to (i) the historical transaction amounts paid by the Group to Wangu Business Management in respect of Existing Catering Premises and Existing Office Premises (as the case may be); (ii) the larger leased area under the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement (as the case may be); and (iii) the anticipation of future market conditions, including the expected consumption level of water and electricity.

## **INTERNAL CONTROL MEASURES**

In order to safeguard the interests of the Shareholders, the Group will adopt the following guidelines and principles in monitoring the transactions and the proposed annual caps under the Renewed Management Service Agreements:

- (i) the finance department of the Group will be responsible for monitoring the transactions contemplated under the Renewed Management Service Agreements and the annual caps thereunder, and ensuring that transactions are conducted in accordance with the terms of the Renewed Management Service Agreements and the annual caps will not be exceeded;
- (ii) the Company's management will review the relevant pricing policies on a regular basis;
- (iii) the Company's auditors will conduct an annual review on the pricing and annual caps of the transactions contemplated under the Renewed Management Service Agreements; and
- (iv) the independent non-executive Directors will conduct an annual review on the implementation and enforcement of the transactions contemplated under the Renewed Management Service Agreements and the annual caps thereunder.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS**

As disclosed in the announcement of the Company dated 24 November 2022, the Group commenced engaging in the catering industry in the PRC and eateries of diverse kinds were opened in the city of Zhongshan. The Group's catering business has been growing in a stable manner.

Given the steady progress of the economic recovery in the PRC and the recent opening of the Shenzhen-Zhongshan Link spanning the Pearl River Delta, the Board is optimistic about the development of the catering industry in the Greater Bay Area. As such, the Board is of the view that it is appropriate time to further secure a foothold on its way to the enhancement of its catering chain business. In the year of 2024, the Group has decided to expand the scale of its catering operations in Zhongshan by expanding the business of an existing western restaurant and opening more shops at Wangu Shopping Basket Plaza, including a wine bar, a fusion restaurant, a Sichuan cuisine, a soup specialty store, a fast food shop as well as shops selling catering-related products.

The Group considered opening new eateries in the same area a strategic move: (i) Wangu Shopping Basket Plaza is in a prime location in Zhongshan and the eateries opened here are convenient and easily accessible; (ii) the Group's offering a diverse range of dining choices concentrated in the same spot may effectively lower the level of direct competition from other eateries; and (iii) the management's cumulative knowledge about and familiarity with the local area demographics have increased its confidence in appealing to customers by catering to their preferences and/or introducing innovative dining concepts. The Board believes that the expansion of the restaurant network through the opening of more eateries will further strengthen the Group's brand identity and market position. Hence, Enlarged Catering Premises, which take up a larger area than Existing Catering Premises, were leased under the Renewed Catering Tenancy Agreement.

To cope with and provide adequate support for the Group's development of the catering business in the Greater Bay Area, the Company has decided to expand the office area. In view of the expiry of the Existing Office Tenancy Agreement and the three-year lease term of the Renewed Catering Tenancy Agreement and with an aim to align the office tenancy with the catering tenancy in respect of the lease term, Shenzhen Wantian Enterprise Zhongshan Branch and Wangu Business Management entered into the Renewed Office Tenancy Agreement for a term of three (3) years up to 30 September 2027.

The terms of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement were arrived at an arm's length negotiation between the relevant parties. The rental payable under the Renewed Catering Tenancy Agreement was determined after taking into account (i) the prevailing market conditions and the prevailing market rent for similar premises in the vicinity of Enlarged Catering Premises; and (ii) the draft property valuation report prepared by an independent valuer. In addition, the rental payable under the Renewed Office Tenancy Agreement was determined after taking into account (i) the prevailing market conditions and the prevailing market rent for similar premises in the vicinity of Enlarged Office Premises; and (ii) the draft property valuation report prepared by an independent valuer. Hence, the Directors (other than the independent non-executive Directors, whose opinion will be given in the letter of advice from the Independent Board Committee) are of the view that each of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement is entered into in the ordinary and usual course of the Group and on normal commercial terms or better, and that the terms of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The terms of the Renewed Management Service Agreements were arrived at after arm's length negotiations between the parties thereto after taking into consideration (i) the prevailing market conditions and the prevailing market management fees for similar premises in the vicinity of Enlarged Catering Premises and Enlarged Office Premises (as the case may be); and (ii) the actual amounts of utilities charges and fire service maintenance fees being charged to Wangu Business Management by the local utility bureaus and/or independent third party service providers without any mark-up. The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Renewed Management Service Agreements are entered into in the ordinary and usual course of business of the Group, and the Renewed Management Service Agreements (together with the annual caps) have been entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the Renewed Management Service Agreements (together with the annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Each of Dr. Hooy and Mr. Zhong is regarded as having a material interest in the transactions contemplated under the Renewed Catering Tenancy Agreement, the Renewed Office Tenancy Agreement and the Renewed Management Service Agreements. Therefore, each of Dr. Hooy and Mr. Zhong has abstained from voting on the Board resolutions to approve the transactions contemplated under these agreements. Save and except for the aforesaid, none of the Directors has any material interest in the Renewed Catering Tenancy Agreement, the Renewed Office Tenancy Agreement or the Renewed Management Service Agreements, and was required to abstain from voting on the Board resolutions in relation thereto.

## **INFORMATION OF THE PARTIES**

### **The Group, Shenzhen Wantian Catering, Shenzhen Wantian Enterprise and Shenzhen Wantian Enterprise Zhongshan Branch**

The Group is principally engaged in (i) food supply; (ii) catering; and (iii) environmental protection and technology. Shenzhen Wantian Catering, an indirect wholly-owned subsidiary of the Company, was established in the PRC with limited liability, and is principally engaged in the operation of restaurants in the PRC. Shenzhen Wantian Enterprise, an indirect wholly-owned subsidiary of the Company, was established in the PRC with limited liability. Shenzhen Wantian Enterprise Zhongshan Branch is a branch of Shenzhen Wantian Enterprise. Shenzhen Wantian Enterprise and Shenzhen Wantian Enterprise Zhongshan Branch are principally engaged in the provision of business management services in the PRC.

### **Wangu Basket and Wangu Business Management**

Wangu Basket is a company established in the PRC with limited liability and is ultimately beneficially owned as to approximately 59.6% and approximately 39.8% by Dr. Hooy and Mr. Zhong, respectively. Wangu Business Management is a company established in the PRC with limited liability and is ultimately beneficially owned as to 59.4% and 39.6% by Dr. Hooy and Mr. Zhong, respectively. Each of Wangu Basket and Wangu Business Management is principally engaged in the provision of non-residential property leasing and property management services in the PRC.

## **LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 “*Leases*”, the leases contemplated under the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement will be recognised as right-of-use assets in relation to such agreements (with fixed lease payments) and will be regarded as an acquisition of assets by the Group under Rule 14A.24(1) of the Listing Rules. In addition, the Group (i) recognised the value of the right-of-use assets for the total amount of approximately RMB8,438,000 in connection with the lease of Existing Catering Premises under the Existing Catering Tenancy Agreement; (ii) recognised the value of the right-of-use assets for the total amount of approximately RMB587,000 in connection with the lease of Existing Office Premises under the Existing Office Tenancy Agreement; (iii) will recognise the value of the right-of-use assets for a total amount of approximately RMB24,671,000 in connection with the lease of Enlarged Catering Premises under the Renewed Catering Tenancy



Agreement; and (iv) will recognise the value of the right-of-use assets for a total amount of approximately RMB3,430,000 in connection with the lease of Enlarged Office Premises under the Renewed Office Tenancy Agreement on its consolidated statement of financial position. Shareholders should note that the abovementioned figures are unaudited and may be subject to adjustment in the future.

Given that the transactions contemplated under the Renewed Catering Tenancy Agreement, the Renewed Office Tenancy Agreement together with the Existing Catering Tenancy Agreement and the Existing Office Tenancy Agreement are of similar nature and were all entered into within a 12-month period, and the lessors under the aforesaid agreements belong to the same group of connected persons of the Company, these transactions are required to be aggregated and to be treated as if they were one transaction pursuant to Rules 14.22, 14.23 and 14A.81 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use assets recognised by the Group under the Renewed Catering Tenancy Agreement, the Renewed Office Tenancy Agreement together with the Existing Catering Tenancy Agreement and the Existing Office Tenancy Agreement exceeds 5% but is less than 25% on an aggregate basis, the transactions contemplated under the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement constitute a discloseable transaction of the Company, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, (i) Mr. Zhong is a director of Wangu Basket, which is ultimately beneficially owned as to approximately 59.6% and approximately 39.8% by Dr. Hooy and Mr. Zhong, respectively; and (ii) Wangu Business Management is ultimately beneficially owned as to 59.4% and 39.6% by Dr. Hooy and Mr. Zhong, respectively. Therefore, Wangu Basket and Wangu Business Management are associates of each of Dr. Hooy and Mr. Zhong. Each of Wangu Basket and Wangu Business Management is a connected person of the Company. Accordingly, the entering into of each of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use assets recognised by the Group under the Renewed Catering Tenancy Agreement, the Renewed Office Tenancy Agreement together with the Existing Catering Tenancy Agreement and the Existing Office Tenancy Agreement exceeds 5%, the transactions contemplated under the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement are also subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Wangu Business Management is a connected person of the Company and the transactions contemplated under the Renewed Management Service Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Given that the transactions contemplated under the Renewed Catering Management Service Agreement entered into in respect of Enlarged Catering Premises and the Renewed Office Management Service Agreement entered into in respect of Enlarged Office Premises are of similar nature and were all entered into at the same time, and the management service provider under both agreements is Wangu Business Management, such transactions are required to be aggregated and to be treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the annual cap for the Renewed Management Service Agreements on an aggregate basis exceeds 0.1% but is less than 5%, the entering into of the Renewed Management Service Agreements is subject to the reporting, annual review and announcement requirements but is exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

The Independent Board Committee has been formed to advise the Independent Shareholders as to the fairness and the reasonableness of the terms of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder and as to how to vote at the EGM.

Octal Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

## **EGM**

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder. In view of the interests of Dr. Hooy and Mr. Zhong, each of Dr. Hooy, Mr. Zhong and their respective associates will abstain from voting in relation to the resolutions to approve the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder at the EGM.

As additional time is required to prepare and/or finalise certain information to be included in the circular to the Shareholders, the Company expects that the circular, containing, among other things, (i) further information of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement, together with a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (ii) the notice of the EGM, will be despatched to the Shareholders on or before 30 August 2024.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	China Wantian 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 (stock code: 1854)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“CT Announcement”	the announcement of the Company dated 1 August 2023 in relation to, among others, the connected transactions under the Existing Catering Tenancy Agreement and the Existing Office Tenancy Agreement
“Director(s)”	the director(s) of the Company
“Dr. Hooy”	Dr. Hooy Kok Wai, chairman of the Board, an executive Director and a substantial shareholder of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions to be contemplated thereunder
“Enlarged Catering Premises”	has the meaning ascribed to it under the paragraph headed “Entering into the Renewed Catering Tenancy Agreement” in this announcement

“Enlarged Office Premises”	has the meaning ascribed to it under the paragraph headed “Entering into the Renewed Office Tenancy Agreement” in this announcement
“Existing Catering Management Service Agreement”	the management service agreement dated 1 August 2023 entered into between Wantian Catering Zhongshan and Wangu Business Management for the provision of management services in respect of Existing Catering Premises
“Existing Catering Tenancy Agreement”	the tenancy agreement dated 1 August 2023 entered into between Wantian Catering Zhongshan as lessee and Wangu Basket as lessor in relation to the leasing of Existing Catering Premises
“Existing Catering Premises”	the catering premises leased under the Existing Catering Tenancy Agreement, details of which can be referred to as “Catering Premises” in the CT Announcement
“Existing Office Premises”	Level 4 of Block A, Wangu Plaza, No. 10 Xinglong Road, Shagang, Dongqu Subdistrict, Zhongshan, Guangdong, the PRC* (中國廣東省中山市東區沙崗興龍路10號萬谷廣場A座四層)
“Existing Office Tenancy Agreement”	the tenancy agreement dated 1 August 2023 entered into between Shenzhen Wantian Enterprise Zhongshan Branch as lessee and Wangu RE Investment as lessor in relation to the leasing of Existing Office Premises
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, 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 PRC
“Independent Board Committee”	an independent committee of the Board consisting of all independent non-executive Directors, established for the purpose of advising the Independent Shareholders as to the fairness and reasonableness of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder

“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than Dr. Hooy, Mr. Zhong and their respective associates or other connected persons who are interested in the Renewed Catering Tenancy Agreement and the Renewed Office Tenancy Agreement and the transactions contemplated thereunder
“Lease Period”	1 October 2024 to 30 September 2027 (both days inclusive) or such other three-year period as agreed by the parties thereto
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Zhong”	Mr. Zhong Xueyong, vice-chairman of the Board, the chief executive officer of the Company, an executive Director and a substantial shareholder of the Company
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Renewed Catering Management Service Agreement”	the management service agreement dated 15 July 2024 entered into between Shenzhen Wantian Catering and Wangu Business Management for the provision of management services in respect of Enlarged Catering Premises
“Renewed Catering Tenancy Agreement”	the tenancy agreement dated 15 July 2024 entered into between Shenzhen Wantian Catering as lessee and Wangu Basket as lessor in relation to the leasing of Enlarged Catering Premises
“Renewed Management Service Agreements”	collectively, the Renewed Catering Management Service Agreement and the Renewed Office Management Service Agreement

“Renewed Office Management Service Agreement”	the management service agreement dated 15 July 2024 entered into between Shenzhen Wantian Enterprise Zhongshan Branch and Wangu Business Management for the provision of management services in respect of Enlarged Office Premises
“Renewed Office Tenancy Agreement”	the tenancy agreement dated 15 July 2024 entered into between Shenzhen Wantian Enterprise Zhongshan Branch as lessee and Wangu Business Management as lessor in relation to the leasing of Enlarged Office Premises
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Wantian Catering”	Shenzhen Wantian Catering Retail Development Co., Ltd.* (深圳萬天餐飲零售發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shenzhen Wantian Enterprise”	Shenzhen Wantian Enterprise Management Co., Ltd.* (深圳萬天企業管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shenzhen Wantian Enterprise Zhongshan Branch”	Shenzhen Wantian Enterprise Management Co., Ltd. Zhongshan Branch* (深圳萬天企業管理有限公司中山分公司), the Zhongshan branch of Shenzhen Wantian Enterprise
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Wangu Basket”	Zhongsan Wangu Basket Plaza Investment and Management Co., Ltd.* (中山市萬谷菜籃子廣場投資管理有限公司), a company established in the PRC with limited liability and ultimately beneficially owned as to approximately 59.6% and approximately 39.8% by Dr. Hooy and Mr. Zhong, respectively
“Wangu Business Management”	Zhongsan Wangu Business Management Co., Ltd.* (中山萬谷商業管理有限公司), a company established in the PRC with limited liability and ultimately beneficially owned as to 59.4% and 39.6% by Dr. Hooy and Mr. Zhong, respectively
“Wangu RE Investment”	Zhongsan Wangu Real Estate Investment and Development Co., Ltd.* (中山市萬谷房地產投資開發有限公司), a company established in the PRC with limited liability and ultimately beneficially owned as to 59.4% and 39.6% by Dr. Hooy and Mr. Zhong, respectively
“Wantian Catering Zhongshan”	collectively, Wantian Catering Zhongshan Branch, Wantian Catering Zhongshan 1st Branch, Wantian Catering Zhongshan 3rd Branch, Wantian Catering Zhongshan 4th Branch, Wantian Catering Zhongshan 5th Branch, Wantian Catering Zhongshan 6th Branch, Wantian Catering Zhongshan 7th Branch and Wantian Catering Zhongshan 8th Branch, each of which being a Zhongshan branch of Shenzhen Wantian Catering and the definition of each of which is set out in the CT Announcement
“%”	per cent

\* *The English translation is not the official name and is for reference purposes only.*

By order of the Board  
**China Wantian Holdings Limited**  
**Hooy Kok Wai**  
*Chairman and Executive Director*

Hong Kong, 15 July 2024

*As at the date of this announcement, the Board comprises Dr. Hooy Kok Wai, Mr. Zhong Xueyong and Mr. Liu Chi Ching as executive Directors; and Ms. Lui Choi Yiu Angela, Mr. Siu Chun Pong Raymond and Mr. Lam Chi Wing as independent non-executive Directors.*