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## **Classified Group (Holdings) Limited**

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

**(Stock Code: 8232)**

### **DISCLOSEABLE TRANSACTIONS TENANCY AGREEMENTS FOR RESTAURANT PREMISES**

#### **THE TENANCY AGREEMENTS**

On 22 October 2021, Classified Limited, an indirect wholly-owned subsidiary of the Company, entered into the Happy Valley Tenancy Agreement as tenant with Happy Valley Kam Yuk Limited as landlord in respect of the lease of the Happy Valley Premises for a term of three years commencing on 1 December 2021 and expiring on 30 November 2024 (both days inclusive) for the operation of the Group's casual European café under the trade name of "Classified".

On 22 October 2021, Classified Limited, an indirect wholly-owned subsidiary of the Company, entered into the Tai Hang Tenancy Agreement as tenant with Hip Shing Hong (Agency) Limited as the authorised agent for and on behalf of Chinese Investors Corporation Limited as landlord in respect of the lease of the Tai Hang Premises for a term of two years commencing on 10 October 2021 and expiring on 9 October 2023 (both days inclusive) for the operation of the Group's casual European café under the trade name of "Classified".

#### **GEM LISTING RULES IMPLICATION**

Pursuant to HKFRS 16, the entering into of the Tenancy Agreements will require the Group to recognise the fixed portion of the rent under each of the Happy Valley Tenancy Agreement and the Tai Hang Tenancy Agreement as the right-of-use assets with a cost of approximately HK\$3.0 million and HK\$2.5 million respectively at initial recognition and a corresponding lease liability which represented the present value of the future lease payments. Thus, the entering into the Tenancy Agreements and the transactions contemplated thereunder will be regarded as deemed acquisitions of assets by the Group.

As one or more of the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of each of the Tenancy Agreements exceeds 5% but all are less than 25%, the transactions contemplated under each of the Tenancy Agreements constitute discloseable transactions for the Company and are therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## THE HAPPY VALLEY TENANCY AGREEMENT

On 22 October 2021, Classified Limited as tenant entered into the Happy Valley Tenancy Agreement with Happy Valley Kam Yuk Limited as landlord in respect of the lease of the Happy Valley Premises for a term of three years commencing on 1 December 2021 and expiring on 30 November 2024 (both days inclusive) for the operation of the Group's casual European café under the trade name of "Classified".

Set out below is a summary of the principal terms of the Happy Valley Tenancy Agreement:

**Date:** 22 October 2021

**Parties:** (1) Classified Limited (as tenant); and  
(2) Happy Valley Yuk Kam Limited (as landlord).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Happy Valley Kam Yuk Limited (as landlord) and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement

**Happy Valley Premises:** Shop B on ground floor of Kam Yuk Mansion, No. 13 Yuk Sau Street, Hong Kong.

**Gross Area:** 1,500 square feet

**Use:** For operating a café in European Style under the trade name and style of "Classified"

**Term:** Three years commencing on 1 December 2021 and expiring on 30 November 2024 (both days inclusive).

**Rent:** The rent throughout the term are:

- 1) Year 1: \$85,000 per month
- 2) Year 2: \$90,000 per month
- 3) Year 3: \$95,000 per month

Classified Limited is also responsible for payment of management charge, government rates and other outgoings.

<b>Rent free period:</b>	14 days (From 15 February 2022 to 28 February 2022)
<b>Total consideration under the Happy Valley Tenancy Agreement:</b>	<p>The total consideration payable under the Happy Valley Tenancy Agreement for the term including the basic rent, management charge, government rates and other outgoings payable by Classified Limited is estimated to be approximately HK\$3.4 million.</p> <p>The consideration payable under the Happy Valley Tenancy Agreement is expected to be funded by the internal resources of the Group.</p>

## **THE TAI HANG TENANCY AGREEMENT**

On 22 October 2021, Classified Limited as tenant entered into the Tai Hang Tenancy Agreement with Hip Shing Hong (Agency) Limited as the authorised agent for and on behalf of Chinese Investors Corporation Limited (as the landlord) in respect of the Tai Hang Premises for a term of two years commencing on 10 October 2021 and expiring on 9 October 2023 (both days inclusive) for the operation of the Group’s casual European café under the trade name of “Classified”.

Set out below is a summary of the principal terms of the Tai Hang Tenancy Agreement:

<b>Date:</b>	22 October 2021
<b>Parties:</b>	<p>(1) Classified Limited (as tenant); and</p> <p>(2) Hip Shing Hong (Agency) Limited (as the authorised agent of China Investors Corporation Limited (the landlord))</p> <p>To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of Hip Shing Hong (Agency) Limited and Chinese Investors Corporation Limited (as landlord) and their respective ultimate beneficial owners are Independent Third Parties as at the date of this announcement</p>
<b>Tai Hang Premises:</b>	Shops A, B & C on ground floor, China Tower, No.1-9 Lin Fa Kung Street West, Hong Kong
<b>Gross Area:</b>	1,191 square feet
<b>Use:</b>	For operating a café in European Style under the trade name and style of “Classified”

**Term:** Two years commencing on 10 October 2021 and expiring on 9 October 2023 (both days inclusive).

**Rent:** A fixed rent HK\$110,100 throughout the Term.

Classified Limited is also responsible for payment of management charge, government rates and other outgoings.

**Total consideration under the Tai Hang Tenancy Agreement:** The total consideration payable under the Tai Hang Tenancy Agreement for the term including the rent, management charge, government rates and other outgoings payable by Classified Limited is estimated to be approximately HK\$2.8 million.

The consideration payable under the Tai Hang Tenancy Agreement is expected to be funded by the internal resources of the Group.

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

The Group is principally engaged in restaurant operations in Hong Kong.

The Happy Valley Premises have been rented to the Group's subsidiary since December 2010 to operate the Group's casual European café under the trade name of "Classified". The existing tenancy agreement for the Happy Valley Premises will expire on 30 November 2021. The Directors believe that the Happy Valley Premises represented a prime location for food and beverages business in Happy Valley.

The Tai Hang Premises have been rented to the Group's subsidiary since October 2010 to operate the Group's casual European café under the trade name of "Classified". The existing tenancy agreement for the Tai Hang Premises had expired on 9 October 2021. The Directors believe that the Tai Hang Premises represented a prime location for food and beverages business in Tai Hang.

The terms of the Tenancy Agreements were determined after arms' length negotiation between Classified Ltd. and the respective landlords for each of the Tenancy Agreements after taking into account the prevailing market rent, lease terms of similar premises in the proximity of each of the Happy Valley Premises and the Tai Hang Premises and the terms of the previous tenancy agreements entered into by Classified Ltd. in respect of the same premises. The Directors are of the view that the entry of the Tenancy Agreements and the terms and conditions thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Group and Classified Limited**

The Group is principally engaged in restaurant operations in Hong Kong.

Classified Limited is an indirect wholly-owned subsidiary of the Company and is engaged in the operations of casual European cafés under the trade name of “Classified”.

### **The Counterparties**

Happy Valley Kam Yuk Limited is a company incorporated in Hong Kong with limited liability and principally engaged in investment holding and property investment. Based on its latest 2021 annual return filed with Company Registry of Hong Kong, it is owned by Lo Kam Wa and So Po Ying.

Chinese Investors Corporation Limited is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and property investment. Based on its latest 2021 annual return filed with the Company Registry of Hong Kong, there are nine shareholders of Chinese Investors Corporation Limited, namely Ever Glory Enterprises Limited, Gold Power Investments Limited, Mr. Fong On Wah, Fong On Wah Continuation Limited and Fong’s Family (Holdings) Co. Limited which are incorporated in Hong Kong together with Catana (Holdings) Inc., Fu Lai Property & Inv. Ltd., VTA International Ltd. and Shing Tai Investments Limited which are incorporated in the British Virgin Islands.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of Happy Valley Kam Yuk Limited and Chinese Investors Corporation Limited and their respective ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

## **IMPLICATIONS OF THE GEM LISTING RULES**

Pursuant to HKFRS 16, the entering into of the Tenancy Agreements will require the Group to recognise the fixed portion of the rent under each of the Happy Valley Tenancy Agreement and the Tai Hang Tenancy Agreement as the right-of-use assets with a cost of approximately HK\$3.0 million and HK\$2.5 million respectively at initial recognition and a corresponding lease liability which represents the present value of the future lease payments. Thus, the entering into of the Tenancy Agreements and the transactions contemplated thereunder will be regarded as deemed acquisitions of assets by the Group.

As one or more of the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of each of the Tenancy Agreements exceeds 5% but all are less than 25%, the transactions contemplated under each of the Tenancy Agreements constitute discloseable transactions for the Company and are therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors;
“Chinese Investors Corporation Limited”	Chinese Investors Corporation Limited, a company incorporated in Hong Kong with limited liability;
“Classified Limited”	Classified Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability;
“Company”	Classified Group (Holdings) Limited, an exempted company incorporated in the Cayman Islands, the shares of which are listed on GEM (stock code: 8232);
“Director(s)”	the director(s) of the Company;
“GEM”	GEM of the Stock Exchange of Hong Kong Limited;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time;
“Government”	the government of Hong Kong;
“Group”	collectively, the Company and its subsidiaries from time to time;
“Happy Valley Kam Yuk Limited”	Happy Valley Kam Yuk Limited, a company incorporated in Hong Kong with limited liability;
“Happy Valley Premises”	The Shop B on ground floor of Kam Yuk Mansion, No. 13 Yuk Sau Street, Hong Kong;
“Happy Valley Tenancy Agreement”	the tenancy agreement dated 22 October 2021 and entered into between Classified Limited as tenant and Happy Valley Kam Yuk Limited as landlord in respect of the Premises;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” which includes standards and interpretations promulgated 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 or third parties independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive, substantial shareholders of the Company, our subsidiaries or any of their respective associates (as defined in the GEM Listing Rules);
“Tai Hang Premises”	Shop A, B &C on ground floor, China Tower, No.1-9 Lin Fa Kung Street West, Hong Kong;
“Tai Hang Tenancy Agreement”	the tenancy agreement dated 22 October 2021 and entered into between Classified Limited as tenant and Chinese Investors Corporation Limited as landlord in respect of the Premises; and
“Tenancy Agreements”	the Happy Valley Tenancy Agreement and the Tai Hang Tenancy Agreement

By order of the Board  
**Classified Group (Holdings) Limited**  
**Wong Arnold Chi Chiu**  
*Chairman and Executive Director*

Hong Kong, 22 October 2021

*As at the date of this announcement, the chairman and executive director of the Company is Mr. WONG Arnold Chi Chiu, executive directors of the Company are Mr. PONG Kin Yee, Mr. Vastine Mael Henri Francis and Mr. Li Kai Leung; and the independent non-executive directors of the Company are Dr. CHAN Kin Keung Eugene, Mr. NG Chun Fai Frank and Mr. YUE Man Yiu Matthew.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the Company’s website at [www.classifiedgroup.com.hk](http://www.classifiedgroup.com.hk).*