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## **TEN PAO GROUP HOLDINGS LIMITED**

**天寶集團控股有限公司**

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

**(Stock Code: 1979)**

### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO RENEWAL OF THE 2024 TENANCY AGREEMENTS**

#### **RENEWAL OF THE 2024 TENANCY AGREEMENTS**

On 31 December 2023, (i) Sky Fortune and Ten Pao Precision (an indirect wholly-owned subsidiary of the Company) entered into the 2024 Sky Fortune Tenancy Agreement; (ii) Golden Lake and Ten Pao International (an indirect wholly-owned subsidiary of the Company) entered into the 2024 Golden Lake Tenancy Agreement; (iii) Golden Ocean Wire and Ten Pao Chuangneng (an indirect wholly-owned subsidiary of the Company) entered into the 2024 Golden Ocean Wire Tenancy Agreement; (iv) Tiannengyuan Charging and Ten Pao Chuangneng entered into the 2024 1st Tiannengyuan Charging Tenancy Agreement; and (v) Tiannengyuan Charging and Ten Pao Chuangneng entered into the 2024 2nd Tiannengyuan Charging Tenancy Agreement.

As the 2024 Tenancy Agreements will expire on 31 December 2024, the Board announces that, on 31 December 2024, the respective Lessors and Lessees entered into the 2025 Sky Fortune Tenancy Agreement, the 2025 Golden Lake Tenancy Agreement and the 2025 Tiannengyuan Charging Tenancy Agreement, respectively, pursuant to which the Lessors agreed to lease their owned properties to the Lessees, subject to the terms and conditions of the respective 2025 Tenancy Agreements. The 2024 Golden Ocean Wire Tenancy Agreement was not renewed as production under the relevant property has been moved to the Group's own production facilities.

## **Implications under the Listing Rules**

### ***Sky Fortune***

Since approximately 96.67% and 3.33% of the issued share capital of Sky Fortune are held by Chairman Hung, an executive Director and a Controlling Shareholder, and Mrs. Hung, respectively, Sky Fortune is an associate of Chairman Hung and a connected person of the Company and the leasing of properties pursuant to the 2025 Sky Fortune Tenancy Agreement will constitute a continuing connected transaction for the Company.

### ***Golden Lake***

Since 98% and 2% of the issued share capital of Golden Lake are held by Chairman Hung, an executive Director and a Controlling Shareholder, and Mrs. Hung, respectively, Golden Lake is an associate of Chairman Hung and a connected person of the Company and the leasing of properties pursuant to the 2025 Golden Lake Tenancy Agreement will constitute a continuing connected transaction for the Company.

### ***Tiannengyuan Charging***

As 100% of the issued share capital of Tiannengyuan Charging is held by Ten Power Charging and 100% of the issued share capital of Ten Power Charging is held by Ease Bright, which is a company wholly-owned by Chairman Hung, an executive Director and a Controlling Shareholder, Tiannengyuan Charging is an associate of Chairman Hung and a connected person of the Company and the leasing of properties pursuant to the 2025 Tiannengyuan Charging Tenancy Agreement will constitute a continuing connected transaction for the Company.

As one or more of the applicable ratios in respect of the annual caps (other than the profits ratio) are more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the 2025 Tenancy Agreements in aggregate are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **RENEWAL OF THE 2024 TENANCY AGREEMENTS**

On 31 December 2023, (i) Sky Fortune and Ten Pao Precision (an indirect wholly-owned subsidiary of the Company) entered into the 2024 Sky Fortune Tenancy Agreement; (ii) Golden Lake and Ten Pao International (an indirect wholly-owned subsidiary of the Company) entered into the 2024 Golden Lake Tenancy Agreement; (iii) Golden Ocean Wire and Ten Pao Chuangneng (an indirect wholly-owned subsidiary of the Company) entered into the 2024 Golden Ocean Wire Tenancy Agreement; (iv) Tiannengyuan Charging and Ten Pao Chuangneng entered into the 2024 1st Tiannengyuan Charging Tenancy Agreement; and (v) Tiannengyuan Charging and Ten Pao Chuangneng entered into the 2024 2nd Tiannengyuan Charging Tenancy Agreement.

As the 2024 Tenancy Agreements will expire on 31 December 2024, the Board announces that, on 31 December 2024, the respective Lessors and Lessees entered into the 2025 Sky Fortune Tenancy Agreement, the 2025 Golden Lake Tenancy Agreement and the 2025 Tiannengyuan Charging Tenancy Agreement, respectively, pursuant to which the Lessors agreed to lease their owned properties to the Lessees, subject to the terms and conditions of the respective 2025 Tenancy Agreements. The 2024 Golden Ocean Wire Tenancy Agreement was not renewed as production under the relevant property has been moved to the Group's own production facilities.

Since Chairman Hung, an executive Director and a Controlling Shareholder, has material interests in the 2025 Tenancy Agreements, he has abstained from voting on the resolutions of the Board to approve the 2025 Tenancy Agreements. As Ms. Hung Sui Lam, an executive Director, is an associate of Chairman Hung, she has also abstained from voting on the resolutions of the Board to approve the 2025 Tenancy Agreements.

### **Principal terms of the 2025 Tenancy Agreements**

The following sets out the principal terms of each of the 2025 Tenancy Agreements:

#### ***(A) 2025 Sky Fortune Tenancy Agreement***

Date:	31 December 2024
Location:	Room 610–11, 6/F, Kwong Sang Hong Centre, No.151–153 Hoi Bun Road, Kwun Tong, Hong Kong
Lessor:	Sky Fortune
Lessee:	Ten Pao Precision
Monthly rental:	HK\$50,000
Term:	1 January 2025 to 31 December 2025 (both days inclusive)
Usage:	Office premises

*Historical transaction amount*

**For the year ended  
31 December 2024**

Existing annual cap	HK\$600,000
Actual amount	HK\$600,000

*Annual cap and basis*

The rental under the 2025 Sky Fortune Tenancy Agreement is payable on a monthly basis and was determined after arm's length negotiations between Sky Fortune and Ten Pao Precision with reference to (i) the rent paid to Sky Fortune in respect of the leased properties under the 2024 Sky Fortune Tenancy Agreement of HK\$600,000 for the year ended 31 December 2024; and (ii) the prevailing market rent for comparable properties of similar type, age and location. The aggregate amount of rent payable by Ten Pao Precision to Sky Fortune for the year ending 31 December 2025 will not exceed HK\$600,000. The rental payment will be settled out of the internal resources of the Group.

The Directors (including the independent non-executive Directors) confirmed that the rental is comparable to the prevailing market rent for similar properties in the vicinity and considered that the rental under the 2025 Sky Fortune Tenancy Agreement is fair and reasonable.

***(B) 2025 Golden Lake Tenancy Agreement***

Date:	31 December 2024
Location:	Flat 15, 6/F, Kwong Sang Hong Centre, No.151–153 Hoi Bun Road, Kwun Tong, Hong Kong
Lessor:	Golden Lake
Lessee:	Ten Pao International
Monthly rental:	HK\$44,000
Term:	1 January 2025 to 31 December 2025 (both days inclusive)
Usage:	Office premises

*Historical transaction amount*

**For the year ended  
31 December 2024**

Existing annual cap	HK\$528,000
Actual amount	HK\$528,000

*Annual cap and basis*

The rental under the 2025 Golden Lake Tenancy Agreement is payable on a monthly basis and was determined after arm's length negotiations between Golden Lake and Ten Pao International with reference to (i) the rent paid to Golden Lake in respect of the leased properties under the 2024 Golden Lake Tenancy Agreement of HK\$528,000 for the year ended 31 December 2024; and (ii) the prevailing market rent for comparable properties of similar type, age and location. The aggregate amount of rent payable by Ten Pao International to Golden Lake for the year ending 31 December 2025 will not exceed HK\$528,000. The rental payment will be settled out of the internal resources of the Group.

The Directors (including the independent non-executive Directors) confirmed that the rental is comparable to the prevailing market rent for similar properties in the vicinity and considered that the rental under the 2025 Golden Lake Tenancy Agreement is fair and reasonable.

**(C) 2025 Tiannengyuan Charging Tenancy Agreement**

Date: 31 December 2024

Locations: (1) Factory and dormitory located at Mujintou Zone, Xinmindahuyuan Village, Shuikou Street Office, Huicheng District, Huizhou City, the PRC (中國惠州市惠城區水口街道辦事處新民大湖園村木錦頭地段的工廠及宿舍)

(2) Factory No.1 and Factory No. 2 located at Mujintou Zone, Xinmindahuyuan Village, Shuikou Street Office, Huicheng District, Huizhou City, the PRC (中國惠州市惠城區水口街道辦事處新民大湖園村木錦頭地段的一號工廠及二號工廠)

Lessor: Tiannengyuan Charging

Lessee:	Ten Pao Chuangneng
Monthly rental:	RMB550,000 (equivalent to approximately HK\$604,945)
Term:	1 January 2025 to 31 December 2025 (both days inclusive)
Usage:	Production facilities and staff quarters

*Historical transaction amount*

	<b>For the year ended 31 December 2024</b>
Existing annual cap	RMB7,416,000 (equivalent to approximately HK\$8,156,858)
Actual amount	RMB7,416,000 (equivalent to approximately HK\$8,156,858)

*Annual cap and basis*

The rental under the 2025 Tiannengyuan Charging Tenancy Agreement is payable on a monthly basis and was determined after arm's length negotiations between Tiannengyuan Charging and Ten Pao Chuangneng with reference to (i) the rent paid to Tiannengyuan Charging in respect of the leased properties under the 2024 1st Tiannengyuan Charging Tenancy Agreement of RMB5,676,000 (equivalent to approximately HK\$6,243,032) for the year ended 31 December 2024; (ii) the rent paid to Tiannengyuan Charging in respect of the leased properties under the 2024 2nd Tiannengyuan Charging Tenancy Agreement of RMB1,740,000 (equivalent to approximately HK\$1,913,826) for the year ended 31 December 2024; (iii) the prevailing market rent with comparable properties; and (iv) the exchange rate movement of RMB and HKD during the lease term. The aggregate amount of rent payable by Ten Pao Chuangneng to Tiannengyuan Charging for the year ending 31 December 2025 will not exceed RMB6,600,000 (equivalent to approximately HK\$7,259,340). The rental payment will be settled out of the internal resources of the Group.

The Directors (including the independent non-executive Directors) confirmed that the rental is comparable to the prevailing market rent for similar properties in the vicinity and considered that the rental under the 2025 Tiannengyuan Charging Tenancy Agreement is fair and reasonable.

### **Aggregation of the historical transaction amounts and the annual caps**

To aggregate the transactions of leasing of properties by the Group from the associates of Chairman Hung under Rules 14A.81 to 14A.83 of the Listing Rules, the aggregate amount of rent paid to the associates of Chairman Hung pursuant to the 2024 Tenancy Agreements by the Group for the year ended 31 December 2024 was approximately HK\$9,602,729.

To aggregate the transactions of leasing of properties by the Group from the associates of Chairman Hung under Rules 14A.81 to 14A.83 of the Listing Rules, the aggregate amount of rent payable to the associates of Chairman Hung pursuant to the 2025 Tenancy Agreements by the Group for the year ending 31 December 2025 will not exceed approximately HK\$8,387,340.

### **Reasons for and benefits of entering into the 2025 Tenancy Agreements**

The Directors (including the independent non-executive Directors) consider that it is beneficial to the Group to conduct the continuing connected transactions contemplated under the 2025 Tenancy Agreements given that they are in line with the Group's strategies to expand the scale of production and the properties are at prime locations which are suitable for conducting the business of the Group. Moreover, the leasing of existing properties under the 2025 Tenancy Agreements minimises the costs of relocation and prevents interruption of the Group's production.

The Directors (including the independent non-executive Directors) consider that the 2025 Tenancy Agreements and the respective proposed annual caps thereof have been entered into and arrived at (a) in the ordinary and usual course of the business of the Group; (b) on normal commercial terms or better; and (c) on terms that are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

### **Internal control measures**

The 2025 Tenancy Agreements are entered into on an annual basis and the Directors will continue to keep aware of the recent development of the property rental market. In the event of any future material changes in the market, the Directors will take appropriate steps to ensure the terms of the 2025 Tenancy Agreements are fair and reasonable. The Company will also comply with the annual review requirements by the independent non-executive Directors and the auditor relating to the 2025 Tenancy Agreements pursuant to Rules 14A.55 to 14A.59 of the Listing Rules.



## **Implications under the Listing Rules**

### ***Sky Fortune***

Since approximately 96.67% and 3.33% of the issued share capital of Sky Fortune are held by Chairman Hung, an executive Director and a Controlling Shareholder, and Mrs. Hung, respectively, Sky Fortune is an associate of Chairman Hung and a connected person of the Company and the leasing of properties pursuant to the 2025 Sky Fortune Tenancy Agreement will constitute a continuing connected transaction for the Company.

### ***Golden Lake***

Since 98% and 2% of the issued share capital of Golden Lake are held by Chairman Hung, an executive Director and a Controlling Shareholder, and Mrs. Hung, respectively, Golden Lake is an associate of Chairman Hung and a connected person of the Company and the leasing of properties pursuant to the 2025 Golden Lake Tenancy Agreement will constitute a continuing connected transaction for the Company.

### ***Tiannengyuan Charging***

As 100% of the issued share capital of Tiannengyuan Charging is held by Ten Power Charging and 100% of the issued share capital of Ten Power Charging is held by Ease Bright, which is a company wholly-owned by Chairman Hung, an executive Director and a Controlling Shareholder, Tiannengyuan Charging is an associate of Chairman Hung and a connected person of the Company and the leasing of properties pursuant to the 2025 Tiannengyuan Charging Tenancy Agreement will constitute a continuing connected transaction for the Company.

As one or more of the applicable ratios in respect of the annual caps (other than the profits ratio) are more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the 2025 Tenancy Agreements in aggregate are subject to the reporting, annual review and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **Information about the relevant parties**

The Group is principally engaged in the manufacturing and sale of switching power supply units for consumer products and smart chargers and controllers for industrial use. The Company is an investment holding company.

Sky Fortune is an investment holding company engaged in leasing of property for rental income purpose.

Golden Lake is an investment holding company engaged in leasing of property for rental income purpose.



Ten Pao Precision is principally engaged in the sale of PCBA, LED lights, audio equipment, electronics and electrical products, OEM products and its accessories.

Ten Pao International is principally engaged in the sale of switching power supply units for consumer products and smart chargers and controllers for industrial use.

Ten Pao Chuangneng is principally engaged in the manufacturing and sale of switching power supply units for consumer products and smart chargers and controllers for industrial use.

Tiannengyuan Charging is an investment holding company engaged in leasing of property for rental income purpose.

### **Definitions used in this announcement**

*Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:*

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|---|---|
| “2024 1st<br>Tiannengyuan<br>Charging Tenancy<br>Agreement” | the tenancy agreement dated 31 December 2023 entered into between Tiannengyuan Charging and Ten Pao Chuangneng for the lease of the properties under the 2024 1st Tiannengyuan Charging Tenancy Agreement with a monthly rental of RMB473,000 (equivalent to approximately HK\$520,253), with the term commencing from 1 January 2024 to 31 December 2024 (both days inclusive) |
| “2024 2nd<br>Tiannengyuan<br>Charging Tenancy<br>Agreement” | the tenancy agreement dated 31 December 2023 entered into between Tiannengyuan Charging and Ten Pao Chuangneng for the lease of the properties under the 2024 2nd Tiannengyuan Charging Tenancy Agreement with a monthly rental of RMB145,000 (equivalent to approximately HK\$159,485), with the term commencing from 1 January 2024 to 31 December 2024 (both days inclusive) |
| “2024 Golden Lake<br>Tenancy<br>Agreement”                  | the tenancy agreement dated 31 December 2023 entered into between Golden Lake and Ten Pao International for the lease of the properties under the 2024 Golden Lake Tenancy Agreement for a monthly rental of HK\$44,000, with the term commencing from 1 January 2024 to 31 December 2024 (both days inclusive)   |

“2024 Golden Ocean Wire Tenancy Agreement”	the tenancy agreement dated 31 December 2023 entered into between Golden Ocean Wire and Ten Pao Chuangneng for the lease of the properties under the 2024 Golden Ocean Wire Tenancy Agreement for a monthly rental of RMB289,000 (equivalent to approximately HK\$317,871), with the term commencing from 1 January 2024 to 31 December 2024 (both days inclusive)
“2024 Sky Fortune Tenancy Agreement”	the tenancy agreement dated 31 December 2023 entered into between Sky Fortune and Ten Pao Precision for the lease of the properties under the 2024 Sky Fortune Tenancy Agreement for a monthly rental of HK\$50,000, with the term commencing from 1 January 2024 to 31 December 2024 (both days inclusive)
“2024 Tenancy Agreements”	collectively, the 2024 Sky Fortune Tenancy Agreement, the 2024 Golden Lake Tenancy Agreement, the 2024 Golden Ocean Wire Tenancy Agreement, the 2024 1st Tiannengyuan Charging Tenancy Agreement and the 2024 2nd Tiannengyuan Charging Tenancy Agreement
“2025 Golden Lake Tenancy Agreement”	the tenancy agreement dated 31 December 2024 entered into between Golden Lake and Ten Pao International as referred to under the subsection headed “Principal terms of the 2025 Tenancy Agreements — (B) 2025 Golden Lake Tenancy Agreement” of the section headed “RENEWAL OF THE 2024 TENANCY AGREEMENTS” of this announcement
“2025 Sky Fortune Tenancy Agreement”	the tenancy agreement dated 31 December 2024 entered into between Sky Fortune and Ten Pao Precision as referred to under the subsection headed “Principal terms of the 2025 Tenancy Agreements — (A) 2025 Sky Fortune Tenancy Agreement” of the section headed “RENEWAL OF THE 2024 TENANCY AGREEMENTS” of this announcement
“2025 Tenancy Agreements”	collectively, the 2025 Sky Fortune Tenancy Agreement, the 2025 Golden Lake Tenancy Agreement and the 2025 Tiannengyuan Charging Tenancy Agreement
“2025 Tiannengyuan Charging Tenancy Agreement”	the tenancy agreement dated 31 December 2024 entered into between Tiannengyuan Charging and Ten Pao Chuangneng as referred to under the subsection headed “Principal terms of the 2025 Tenancy Agreements — (C) 2025 Tiannengyuan Charging Tenancy Agreement” of the section headed “RENEWAL OF THE 2024 TENANCY AGREEMENTS” of this announcement

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Chairman Hung”	Mr. Hung Kwong Yee (洪光椅), the chairman of the Board, an executive Director, the chief executive officer and a Controlling Shareholder
“Company”	Ten Pao Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 1979)
“connected person”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Ease Bright”	Ease Bright Holdings Limited (怡明控股有限公司), a company incorporated under the laws of BVI with limited liability on 9 February 2015 and is wholly-owned by Chairman Hung
“Golden Lake”	Golden Lake (HK) Co., Limited (錦湖(香港)有限公司), a company incorporated under the laws of Hong Kong with limited liability on 23 May 2001 and 98% and 2% of its issued share capital are held by Chairman Hung and Mrs. Hung, respectively
“Golden Ocean Wire”	Huizhou Golden Ocean Wire Co., Limited* (惠州市鑫洋線業有限公司), a WFOE established under the laws of the PRC with limited liability on 2 November 2017 and wholly-owned by Golden Ocean Copper Manufacturer Co., Limited (鑫洋銅工業有限公司), which is in turn a wholly-owned subsidiary of Year Industries Limited and the entire issued share capital of Year Industries Limited is held by Mrs. Hung
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency in Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lessees”	Ten Pao Precision, Ten Pao International and Ten Pao Chuangneng
“Lessors”	Sky Fortune, Golden Lake and Tiannengyuan Charging
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mrs. Hung”	Ms. Yeh Chin Lian (葉金蓮), the spouse of Chairman Hung
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Share(s)
“Sky Fortune”	Sky Fortune Enterprises Limited (天祥企業有限公司), a company incorporated under the laws of Hong Kong with limited liability on 25 February 1992 and 96.67% and 3.33% of its issued share capital are held by Chairman Hung and Mrs. Hung, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Ten Pao Chuangneng”	Huizhou Ten Pao Chuangneng Technology Co., Ltd.* (惠州市天寶創能科技有限公司), a company established under the laws of the PRC with limited liability on 20 November 2019 and an indirect wholly-owned subsidiary of the Company
“Ten Pao International”	Ten Pao International Limited (天寶國際興業有限公司), a company incorporated under the laws of Hong Kong with limited liability on 9 May 2001 and an indirect wholly-owned subsidiary of the Company
“Ten Pao Precision”	Ten Pao Precision Electronics Company Limited (天寶精密電子有限公司), a company incorporated under the laws of Hong Kong with limited liability on 19 August 2009 and an indirect wholly-owned subsidiary of the Company

“Ten Power Charging”	Ten Power Charging Technology Limited (天源充電技術有限公司), a company incorporated under the laws of Hong Kong with limited liability on 7 March 2011 and a direct wholly-owned subsidiary of Ease Bright
“Tiannengyuan Charging”	Huizhou Tiannengyuan Charging Technology Co., Ltd.* (惠州天能源充電技術有限公司), a WFOE established under the laws of the PRC with limited liability on 24 November 2011 and wholly-owned by Ten Power Charging
“WFOE”	wholly foreign-owned enterprise with the meaning prescribed under the PRC laws
“%”	per cent

By order of the Board  
**TEN PAO GROUP HOLDINGS LIMITED**  
**Hung Kwong Yee**  
*Chairman and Chief Executive Officer*

\* *For identification purposes only*

*For illustrative purpose, the exchange rate of HK\$ against RMB is HK\$1.0999 to RMB1.*

Hong Kong, 31 December 2024

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Hung Kwong Yee, Mr. Tse Chung Shing and Ms. Hung Sui Lam; and four independent non-executive Directors, namely, Mr. Lam Cheung Chuen, Mr. Chu Yat Pang Terry, Mr. Lee Kwan Hung Eddie and Dr. Lui Sun Wing.*