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## **MOS HOUSE GROUP LIMITED**

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

**(Stock code: 1653)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO RENEWAL OF TENANCY AGREEMENT**

#### **ACQUISITION OF RIGHT-OF-USE ASSETS IN RELATION TO RENEWAL OF TENANCY**

The Board is pleased to announce that on 16 February 2022, Regent Building Limited, an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreement as tenant with the Landlord, an independent third party, in respect of the Premises for a further term of two years and four months commencing on 18 January 2022 and ending on 17 May 2024 (both days inclusive) for the Premises. The tenant received a copy of the signed Tenancy Agreement in late April 2022.

#### **LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 “Leases”, the Company is required to recognize the value of the right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement is regarded as an acquisition of asset by the tenant (i.e. lessee) for the purpose of the Listing Rules.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Tenancy Agreement is more than 5% and below 25%, the Tenancy Agreement constitutes a disclosable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from Shareholders’ approval requirement pursuant to Chapter 14 of the Listing Rules.

#### **ACQUISITION OF RIGHT-OF-USE ASSETS IN RELATION TO RENEWAL OF TENANCY AGREEMENT**

The Board is pleased to announce that on 16 February 2022, Regent Building Limited, an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreement as tenant with the Landlord, an independent third party as landlord, in respect of the Premises for a further term of two years and four months commencing on 18 January 2022 and ending on 17 May 2024 (both days inclusive) for the Premises. The tenant received a copy of the signed Tenancy Agreement in late April 2022.

## **PRINCIPAL TERMS OF THE TENANCY AGREEMENT**

The principal terms of the Tenancy Agreement are set out below:

- Date:** 16 February 2022
- Tenant:** Regent Building Limited
- Landlord:** Summit Expert Limited
- Premises:** Ground floor of Fook Cheong Building, No.314 Portland Street, Kowloon
- Term:** two years and four months commencing on 18 January 2022 and ending on 17 May 2024 (both days inclusive)
- Rent:** The rent payable under the Tenancy Agreement is HK\$220,000 per calendar month from 18 January 2022 to 17 March 2023 and HK\$230,000 per calendar month from 18 March 2023 to 17 May 2024 excluding government rent, government rates, utility charges and management fees to be paid in advance without any deduction whatsoever on the 18th day of each and every calendar month.
- Deposit:** A security deposit of HK\$727,938 was paid upon signing of the Tenancy Agreement, which was wholly transferred from the deposit held under the previous tenancy agreement.
- Personal Guarantee:** Mr. Simon Tso, the chairman and a Director of the Company executed a personal guarantee in favor of the Landlord for the due performance or observance by the tenant under the Tenancy Agreement.

The unaudited value of the right-of-use asset recognized by the Company under the Tenancy Agreement amounted to approximately HK\$5,901,000, which is the present value of total consideration payable plus initial direct costs and estimated reinstatement cost with the lease at the inception of the lease term under the Tenancy Agreement in accordance with HKFRS 16.

## **REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT**

The Group is currently leasing the Premises for the operation of its shop branded My Shop. The lease renewal for the Premises will allow the Group to continue the operation of My Shop. The Directors, including the independent non-executive Directors, considered that the transactions contemplated under the Tenancy Agreement were entered into in the ordinary and usual course of business of the Group, on normal commercial terms after arm's length negotiations between the parties and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## INFORMATION ABOUT THE PARTIES

The Group is a retailer and supplier of overseas manufactured tiles in Hong Kong and Macau, specializing in high-end European imported porcelain, ceramic and mosaic tiles.

Regent Building Limited is an indirect wholly-owned subsidiary of the Company and principally engages in leasing of properties for the Group.

The Landlord is a company incorporated in Hong Kong. The principal business of the Landlord is property holding and rental. Its ultimate beneficial owners are Lo Yen Yang (“**Ms. Lo**”) and Tse Sum Mee, Deborah (“**Ms. Tse**”), both are directors of the Landlord and each holds 50% of the issued share capital of the Landlord. Ms. Lo and Ms. Tse are merchants and serve as directors of several private companies incorporated in Hong Kong. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Landlord, Ms. Lo and Ms. Tse are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 “Leases”, the Company is required to recognize the value of the right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement is regarded as an acquisition of asset by the tenant (i.e. lessee) for the purpose of the Listing Rules.

As one applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use of the Premises under the Tenancy Agreement exceeds 5% but is less than 25%, the lease transaction contemplated thereunder constitutes a discloseable transaction for the Company and is subject to the announcement requirement but exempt from Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	MOS House Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1653)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Landlord”	Summit Expert Limited, a company incorporated in Hong Kong with limited liability

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Premises”	the premises situated at Ground Floor, Fook Cheong Building, No.314 Portland Street, Kowloon
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement entered into between Regent Building Limited (a subsidiary of the Company) as the tenant and the Landlord dated 16 February 2022
“%”	per cent.

By order of the Board  
**MOS HOUSE GROUP LIMITED**  
**Simon Tso**  
*Chairman*

Hong Kong, 16 May 2022

*As at the date of this announcement, the Board comprises of two executive Directors, namely Mr. Simon Tso and Ms. Tsui To Fei and three independent non-executive Directors, namely Mr. Ng Wang To, Mr. Woo King Hang and Mr. Hui Chun Tak.*