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MOS HOUSE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1653)

CONNECTED TRANSACTION — SECOND RENEWAL TENANCY AGREEMENTS

SECOND RENEWAL TENANCY AGREEMENTS

References are made to the prospectus of the Company dated 28 September 2018 (the “**Prospectus**”) and the announcement dated 29 June 2021 (the “**Announcement**”) in relation to the Renewal Tenancy Agreements which will expire on 31 March 2023. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus and the Announcement.

The Board announces that on 29 March 2023 (after trading hours), Regent Building Limited (as tenant), an indirect wholly-owned subsidiary of the Company, entered into the Second Renewal Tenancy Agreement A and Second Renewal Tenancy Agreement B with Cyber Building Limited (as landlord) in relation to the respective leases of Premises A and Premises B both for a term of two years commencing on 1 April 2023 and expiring on 31 March 2025.

LISTING RULES IMPLICATIONS

Cyber Building Limited is owned as to 50% by Mr. Tso, one of the Company’s executive Directors and Controlling Shareholders, and 50% by Ms. Tsui, the spouse of Mr. Tso and one of the Company’s executive Directors. As such, Cyber Building Limited is an associate of both Mr. Tso and Ms. Tsui and hence a connected person of the Company for the purposes of the Listing Rules.

In accordance with HKFRS 16 “Leases”, the Group is required to recognize the values of the right-of-use assets in connection with the Second Renewal Tenancy Agreements and the transactions contemplated thereunder will be regarded as acquisition of assets by the Group pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Renewal Tenancy Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The estimated values of the right-of-use assets to be recognized by the Group under the Second Renewal Tenancy Agreement A and Second Renewal Tenancy Agreement B are HK\$5,223,939 and HK\$4,542,556 respectively (HK\$9,766,495 in total). Shareholders should note that the values of the right-of-use assets are estimates and may be subject to adjustment in the future.

As the applicable percentage ratios are less than 25% and the total consideration based on the aggregate value of the right-of-use assets is less than HK\$10,000,000, the transactions contemplated under the Second Renewal Tenancy Agreements are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SECOND RENEWAL TENANCY AGREEMENTS

Reference is made to the Prospectus and the Announcement in relation to the Renewal Tenancy Agreements which will expire on 31 March 2023.

The Board announces that on 29 March 2023 (after trading hours), Regent Building Limited (as tenant), an indirect wholly-owned subsidiary of the Company, entered into the Second Renewal Tenancy Agreements with Cyber Building Limited (as landlord) in relation to the leases of the Premises for a term of two years commencing on 1 April 2023 and expiring on 31 March 2025.

Second Renewal Tenancy Agreement A

Date:	29 March 2023
Tenant:	Regent Building Limited
Landlord:	Cyber Building Limited
Premises:	the warehouse situated at Lots 1256, 1258 and 1259 in DD119, Yuen Long, New Territories
Gross Floor Area:	Approximately 23,000 square feet
Term:	two (2) years from 1 April 2023 to 31 March 2025 (both days inclusive)
Rent:	<p>The rent payable under Second Renewal Tenancy Agreement A is HK\$230,000 per month (excluding government rent, government rates and management fees) which remains the same as Renewal Tenancy Agreement A and shall be payable by Regent Building Limited in advance on the first day of each calendar month. All charges for water, gas, electricity and other utilities consumed on or in the Premises shall be paid by Regent Building Limited.</p> <p>The rent payable by Regent Building Limited under Second Renewal Tenancy Agreement A was determined after arm's length negotiations by the parties with reference to the prevailing market rent for similar properties in the vicinity of Premises A.</p>
Deposit:	HK\$690,000 (equivalent to 3 months' rent and will be transferred from Renewal Tenancy Agreement A)

Second Renewal Tenancy Agreement B

Date:	29 March 2023
Tenant:	Regent Building Limited
Landlord:	Cyber Building Limited
Premises:	the retail shop situated at G/F, 286 Portland Street, Mongkok, Kowloon
Gross Floor Area:	702 square feet
Term:	two (2) years from 1 April 2023 to 31 March 2025 (both days inclusive)
Rent:	<p>The rent payable under the Second Renewal Tenancy Agreement B is HK\$200,000 per month (excluding government rent, government rates and management fees) which is the same as the Renewal Tenancy Agreement B and shall be payable by Regent Building Limited in advance on the first day of each calendar month. All charges for water, gas, electricity and other utilities consumed on or in the Premises shall be paid by Regent Building Limited.</p> <p>The rent payable by Regent Building Limited under the Second Renewal Tenancy Agreement B was determined after arm's length negotiations by the parties with reference to the prevailing market rent for similar properties in the vicinity of Premises B.</p>
Deposit:	HK\$600,000 (equivalent to 3 months' rent is to be transferred from Renewal Tenancy Agreement B)

REASONS FOR AND BENEFITS OF ENTERING INTO THE SECOND RENEWAL TENANCY AGREEMENTS

The Premises under the Second Renewal Tenancy Agreements are the warehouse and retail shop currently operated by the Group for its business. The Board considers that the entering into the Second Renewal Tenancy Agreements is beneficial for the business operations of the Group in view of the location of the Premises and the saving of relocation costs. The terms under the Second Renewal Tenancy Agreements were arrived at after arm's length negotiations by the parties with reference to the (i) prevailing market rent for similar properties in the vicinity of the Premises; and (ii) various conditions of the Premises, including but not limited to the location and age of the buildings as well as the facilities and management services associated with the Premises. The Directors (including the independent non-executive Directors) consider that the terms of the Second Renewal Tenancy Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Group is a retailer and supplier of overseas manufactured tiles in Hong Kong and Macau, specialising 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.

Cyber Building Limited's major business is property investment.

LISTING RULES IMPLICATIONS

Cyber Building Limited is owned as to 50% by Mr. Tso, one of the Company's executive Directors and Controlling Shareholders, and 50% by Ms. Tsui, the spouse of Mr. Tso and one of the executive Directors. As such, Cyber Building Limited is an associate of both Mr. Tso and Ms. Tsui and hence a connected person of the Company for the purposes of the Listing Rules.

In accordance with HKFRS 16 "Leases", the Group is required to recognize the values of the right-of-use assets in connection with the Second Renewal Tenancy Agreements and the transactions contemplated thereunder will be regarded as acquisition of assets by the Group pursuant to the Listing Rules. Accordingly, the transactions contemplated under the Second Renewal Tenancy Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The estimated values of the right-of-use assets to be recognized by the Group under the Second Renewal Tenancy Agreement A and Second Renewal Tenancy Agreement B are HK\$5,223,939 and HK\$4,542,556 respectively (HK\$9,766,495 in total). Shareholders should note that the values of the right-of-use assets are estimates and may be subject to adjustment in the future.

As the applicable percentage ratios are less than 25% and the total consideration based on the aggregate value of the right-of-use assets is less than HK\$10,000,000, the transactions contemplated under the Second Renewal Tenancy Agreements are subject to the reporting 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.

As Mr. Tso and Ms. Tsui are regarded as having material interest in the Second Renewal Tenancy Agreements, they have abstained from voting on the Board resolutions approving the Second Renewal Tenancy Agreements and the transactions contemplated thereunder.

DEFINITIONS

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

“Premises A”	the warehouse situated at Lots 1256, 1258 and 1259 in DD119, Yuen Long, New Territories under Renewal Tenancy Agreement A
“Premises B”	the retail shop situated at G/F, 286 Portland Street, Mongkok, Kowloon under Renewal Tenancy Agreement B
“Premises”	Premises A and Premises B
“Renewal Tenancy Agreement A”	the renewal tenancy agreement dated 29 June 2021 entered into between Regent Building Limited (as tenant) and Cyber Building Limited (as landlord) in relation to the lease of Premises A to Regent Building Limited
“Renewal Tenancy Agreement B”	the renewal tenancy agreement dated 29 June 2021 entered into between Regent Building Limited (as tenant) and Cyber Building Limited (as landlord) in relation to the lease of Premises B to Regent Building Limited
“Renewal Tenancy Agreements”	Renewal Tenancy Agreement A and Renewal Tenancy Agreement B
“Second Renewal Tenancy Agreement A”	the second renewal tenancy agreement dated 29 March 2023 entered into between Regent Building Limited (as tenant) and Cyber Building Limited (as landlord) in relation to the lease of Premises A to Regent Building Limited
“Second Renewal Tenancy Agreement B”	the second renewal tenancy agreement dated 29 March 2023 entered into between Regent Building Limited (as tenant) and Cyber Building Limited (as landlord) in relation to the lease of Premises B to Regent Building Limited
“Second Renewal Tenancy Agreements”	Second Renewal Tenancy Agreement A and Second Renewal Tenancy Agreement B

On behalf of the Board
MOS House Group Limited
Simon Tso
Chairman

Hong Kong, 29 March 2023

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.