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WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

CONTINUING CONNECTED TRANSACTION – TENANCY RENEWAL

The Directors of the Company announce that WOCOM as lessee has entered into a Tenancy Agreement on 30 March 2021 with WOCO as lessor, a wholly-owned subsidiary of the Company, to renew the Existing Tenancy Agreement of the Premises at Rooms 1002 to 1006, Wing On Centre, 111 Connaught Road Central, Hong Kong for a fixed term of three years from 8 June 2021 to 7 June 2024. The Existing Tenancy Agreement relating to the continuing connected transaction pursuant thereto will expire on 7 June 2021.

Since WOCOM is an indirect non wholly-owned subsidiary of Kee Wai (BVI), a substantial shareholder of the Company, which in turn is holding approximately 61.858% interest in the existing issued share capital of the Company, the Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

As each of the relevant percentage ratios as set out in Rule 14.07 of the Listing Rules for the annual rental for the Tenancy Agreement is less than 5% of the applicable percentage ratios of the Company, the Tenancy Agreement will be classified as a continuing connected transaction under Rule 14A.76(2)(a) of the Listing Rules and is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

This continuing connected transaction will be subject to annual review and reporting requirements under Rules 14A.55 to 14A.59 and Rules 14A.71 to 14A.72 of the Listing Rules respectively.

TENANCY AGREEMENT

On 30 March 2021, WOCOM as lessee entered into the Tenancy Agreement with WOCO as lessor in respect of the Premises. Major terms of the Tenancy Agreement are as follows:-

Landlord:	The Wing On Company Limited
Tenant:	Wocom Holdings Limited
Premises:	Rooms 1002 to 1006, Wing On Centre, 111 Connaught Road Central, Hong Kong
Lettable area:	Approximately 6,884 square feet
Use:	Restricted for commercial use
Term:	Three years fixed term commencing from 8 June 2021 to 7 June 2024.

Rent: HK\$401,000 (HK\$58.25 per square foot) per month (exclusive of rates, management fees, air-conditioning charges and any other outgoings), to be settled by cash on a monthly basis, which is determined and based on the market rental value of the Premises as stated in a valuation report, dated 12 March 2021 issued by Cushman & Wakefield Limited, an independent property valuer. The maximum aggregate annual rental value would be HK\$4,812,000.

Rent Free Period: Nil

REASONS FOR RENEWING THE TENANCY AGREEMENT

The Group is principally engaged in the operation of department stores and property investment. The Directors (including all independent non-executive Directors) are of the view that the new rent is at arm's length as the same has been verified by Cushman & Wakefield Limited, an independent property valuer, and that the Tenancy Agreement was entered into in the ordinary and usual course of the property investment business of the Group, on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Group.

The new rent for the Premises of HK\$401,000 per month represents a decrease of 11.1% compared to the current rent of HK\$451,000 per month. The rent payable by WOCOM for the year ended 31 December 2019 and 31 December 2020 amounted to HK\$4,920,000 and HK\$5,197,000 respectively.

Mr. Karl C. Kwok, Mr. Lester Kwok, Dr. Bill Kwok and Mr. Mark Kwok, all being substantial shareholders and directors of Kee Wai (BVI), are considered to have a material interest in the Tenancy Agreement, and therefore they have abstained from voting on the board resolution approving the Tenancy Agreement.

CONTINUING CONNECTED TRANSACTION

Since WOCOM is an indirect non wholly-owned subsidiary of Kee Wai (BVI), a substantial shareholder of the Company, which in turn is holding approximately 61.858% interest in the existing issued share capital of the Company, the Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

The annual cap for the Tenancy Agreement for each of the 12-month periods from 8 June 2021 to 7 June 2024 is HK\$4,812,000, which was determined by reference to the maximum aggregate annual rental value of HK\$4,812,000 as stated in the Tenancy Agreement.

As each of the relevant percentage ratios as set out in Rule 14.07 of the Listing Rules for the annual rental for the Tenancy Agreement is less than 5% of the applicable percentage ratios of the Company, the Tenancy Agreement will be classified as a continuing connected transaction under Rule 14A.76(2)(a) of the Listing Rules and is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

This continuing connected transaction will be subject to annual review and the reporting requirements under Rules 14A.55 to 14A.59 and Rules 14A.71 to 14A.72 of the Listing Rules respectively.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context required otherwise.

“Board”	the Board of Directors of the Company
“Company”	Wing On Company International Limited, a company incorporated in Bermuda and the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the Directors of the Company
“Existing Tenancy Agreement”	the tenancy agreement entered into between WOCOM and WOCO on 30 March 2020 in respect of the Premises as referred to in the announcement of the Company dated 30 March 2020 in relation to the continuing connected transaction contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kee Wai (BVI)”	Kee Wai Investment Company (BVI) Limited, a company incorporated in the British Virgin Islands. Messrs. Karl C. Kwok, Lester Kwok, Bill Kwok and Mark Kwok, together control 100% of the voting rights in Kee Wai (BVI).
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Premises”	Rooms 1002 to 1006, Wing On Centre, 111 Connaught Road Central, Hong Kong
“Substantial Shareholder”	has the meaning as given in the Listing Rules
“Tenancy Agreement”	the tenancy agreement entered into between WOCOM and WOCO on 30 March 2021 for the Premises

