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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 has entered into a Tenancy Agreement on 30 March 2020 with WOCO, a wholly-owned subsidiary of the Company, to renew the existing tenancy of the Premises at Rooms 1002 to 1006, Wing On Centre, 111 Connaught Road Central, Hong Kong for a fixed term of one year from 8 June 2020 to 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 61.789% 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.

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 2020, WOCOM entered into the Tenancy Agreement with WOCO 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:          | One year fixed term commencing from 8 June 2020 to 7 June 2021.           |

Rent: HK\$451,000 (HK\$65.51 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 23 March 2020 issued by Cushman & Wakefield Limited, an independent property valuer. The maximum aggregate annual rental value would be HK\$5,412,000.

Rent Free Period: Nil

## **REASONS FOR RENEWING THE TENANCY AGREEMENT**

The Group is principally engaged in the operation of department stores and property investment. 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\$451,000 per month represents an increase of 10% compared to the current rent of HK\$410,000 per month. The rent payable by WOCOM for the year ended 31 December 2018 and 31 December 2019 amounted to HK\$4,920,000 and HK\$4,920,000 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 61.789% 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.

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  |
| “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 2020 for the Premises   |
| “WOCO”                    | The Wing On Company Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong. Its principal activities are investment holding and property investment.  |
| “WOCOM”                   | Wocom Holdings Limited, an indirect non wholly-owned subsidiary of Kee Wai (BVI), a company incorporated in Hong Kong, is an investment holding company. Its subsidiaries are principally engaged in securities and futures broking, investment and leveraged foreign exchange trading. |

By Order of the Board

**Karl C. Kwok**

Chairman

Hong Kong, 30 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. Karl C. Kwok (Chairman), Mr. Lester Kwok (Deputy Chairman and Chief Executive Officer) and Mr. Mark Kwok, the non-executive director is Dr. Bill Kwok, and the independent non-executive directors are Miss Maria Tam Wai Chu, Mr. Iain Ferguson Bruce, Mr. Leung Wing Ning and Mr. Nicholas James Debnam.