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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

On 27 March 2024 (after trading hours), WOCOM, as tenant, entered into the 2024 Tenancy Agreement with WOCO (an indirect wholly-owned subsidiary of the Company), as landlord, to renew the existing tenancy of the Premises for a fixed term of one year commencing from 8 June 2024 to 7 June 2025 (both dates inclusive).

Since WOCOM is an indirect non-wholly-owned subsidiary of Kee Wai (BVI), a substantial shareholder of the Company, which in turn holds approximately 62.186% interest in the issued share capital of the Company, the 2024 Tenancy Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the annual rental under the 2024 Tenancy Agreement are more than 0.1% but less than 5%, the continuing connected transaction is subject to announcement, reporting and annual review requirements, but is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

2024 TENANCY AGREEMENT

Reference is made to the announcement of the Company dated 30 March 2021 in relation to the 2021 Tenancy Agreement concerning tenancy of the Premises. The 2021 Tenancy Agreement will expire on 7 June 2024.

On 27 March 2024 (after trading hours), WOCOM, as tenant, entered into the 2024 Tenancy Agreement with WOCO (an indirect wholly-owned subsidiary of the Company), as landlord, to renew the existing tenancy of the Premises upon expiry of the 2021 Tenancy Agreement. Major terms of the 2024 Tenancy Agreement are as follows:

Date:	27 March 2024
Landlord:	WOCO
Tenant:	WOCOM
Premises:	Rooms 1002 to 1006, Wing On Centre, 111 Connaught Road Central, Hong Kong
Lettable area:	Approximately 6,340 square feet, as agreed between the Landlord and the Tenant under the 2024 Tenancy Agreement.
Use of the Premises:	Restricted for commercial use

Term: One year fixed term commencing from 8 June 2024 to 7 June 2025 (both dates inclusive).

Rent: HK\$354,000 (HK\$55.84 per square feet) per month (exclusive of rates, air-conditioning charges, management fees and all other outgoings), to be settled by cash on a monthly basis.

The above rental was determined based on the market rental value of the Premises as determined by the Valuer at the valuation date of 18 March 2024.

The maximum aggregate annual rental receivable, being the total rental receivable from WOCOM under the one-year lease term, would be HK\$4,248,000.

Deposit: The deposit of HK\$1,187,532 paid by WOCOM pursuant to the 2021 Tenancy Agreement shall continue to be held by the Landlord as guarantee for WOCOM's due performance and observation of the 2024 Tenancy Agreement, and (subject to further renewal of the tenancy) shall be returned to WOCOM, without interest, after the expiration of the 2024 Tenancy Agreement.

REASONS FOR RENEWING THE TENANCY AGREEMENT

The Group is principally engaged in the operation of department stores and property investment. WOCO is principally engaged in investment holding and property investment. WOCOM is an investment holding company. Its subsidiaries are principally engaged in securities and futures broking, investment and leveraged foreign exchange trading.

All the Directors, including the independent non-executive Directors, are of the view that it is commercially beneficial for WOCO to renew the existing tenancy as the new rent is at arm's length based on the market rental value determined by the Valuer. Furthermore, all of the independent non-executive Directors are of the opinion that the 2024 Tenancy Agreement had been entered into in the ordinary and usual course of the business of the Group on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The new rent for the Premises of HK\$354,000 (HK\$55.84 per square feet for the lettable area of approximately 6,340 square feet) per month (exclusive of rates, air-conditioning charges, management fees and all other outgoings) under the 2024 Tenancy Agreement represents a decrease of 4.1% in terms of rent per square feet compared to the current rent of HK\$401,000 (HK\$58.25 per square feet for the lettable area of approximately 6,884 square feet) per month payable under the 2021 Tenancy Agreement. The rent payable by WOCOM for the years ended 31 December 2022 and 2023 amounted to HK\$4,812,000 and HK\$4,812,000, respectively.

Mr. Karl C. Kwok, Mr. Lester Kwok, Dr. Bill Kwok and Mr. Mark Kwok, being substantial shareholders and directors of Kee Wai (BVI), are considered to have a material interest in the 2024 Tenancy Agreement, and therefore they have abstained from voting on the Board resolution approving the 2024 Tenancy Agreement.

LISTING RULES IMPLICATION

Since WOCOM is an indirect non-wholly-owned subsidiary of Kee Wai (BVI), a substantial shareholder of the Company, which in turn holds approximately 62.186% interest in the issued share capital of the Company, the 2024 Tenancy Agreement constitutes a continuing connected transaction of the Company under the Listing Rules.

The annual cap for the 2024 Tenancy Agreement for the 12-month period from 8 June 2024 to 7 June 2025 is HK\$4,248,000, which is determined by reference to the maximum aggregate annual rental value of HK\$4,248,000 as stated in the 2024 Tenancy Agreement.

As the applicable percentage ratios in respect of the annual rental under the 2024 Tenancy Agreement are more than 0.1% but less than 5%, the continuing connected transaction is subject to announcement, reporting and annual review requirements, but is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

DEFINITIONS

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

“2021 Tenancy Agreement”	the tenancy agreement dated 30 March 2021 entered into between WOCOM, as tenant, and WOCO, as landlord, for the Premises for the period from 8 June 2021 to 7 June 2024 (both dates inclusive), the details of which are set out in the Company’s announcement dated 30 March 2021
“2024 Tenancy Agreement”	the tenancy agreement dated 27 March 2024 entered into between WOCOM, as tenant, and WOCO, as landlord, for the Premises for the period from 8 June 2024 to 7 June 2025 (both dates inclusive)
“Board”	the board of Directors of the Company
“Company”	Wing On Company International Limited, a company incorporated in Bermuda with limited liability 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 with limited liability. Mr. Karl C. Kwok, Mr. Lester Kwok, Dr. Bill Kwok and Mr. Mark Kwok, together control 100% of the voting rights in Kee Wai (BVI)
“Landlord”	WOCO
“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
“Tenant”	WOCOM
“Valuer”	Cushman & Wakefield Limited, an independent property valuer
“WOCO”	The Wing On Company Limited, an indirect wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability. 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 with limited liability, is an investment holding company. Its subsidiaries are principally engaged in securities and futures broking, investment and leveraged foreign exchange trading.
“%”	per cent

By Order of the Board
Karl C. Kwok
Chairman

Hong Kong, 27 March 2024

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), Dr. Bill Kwok and Mr. Mark Kwok, and the independent non-executive Directors of the Company are Miss Maria Tam Wai Chu, Mr. Leung Wing Ning and Mr. Nicholas James Debnam.