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**凱知樂**

## **Kidsland International Holdings Limited**

**凱知樂國際控股有限公司**

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

**(Stock Code: 2122)**

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

#### **THE TENANCY AGREEMENT**

On 18 June 2024, Kidsland (Macau) (an indirectly wholly-owned subsidiary of the Company) as the tenant and the Company as the guarantor entered into the Tenancy Agreement with the Landlord (the counterpart of the Tenancy Agreement signed by the Landlord was received by the Group on 21 June 2024) in respect of the Premises for a term of 2 years from 1 March 2024 to 28 February 2026 (both days inclusive).

#### **LISTING RULES IMPLICATIONS**

Upon the implementation of HKFRS 16, the entering into of the Tenancy Agreement will require the Group to recognise the exclusive right as right-of-use asset in the consolidated financial statements of the Company. As such, under the Listing Rules, the entering into of the Tenancy Agreement will be regarded as an acquisition of asset under Chapter 14 of the Listing Rules.

As the highest applicable Percentage Ratio of the transaction under the Tenancy Agreement, calculated based on the value of the right-of-use of the Premises under the Tenancy Agreement to be recognised by the Company according to HKFRS 16, is higher than 5% but lower than 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

## INTRODUCTION

On 18 June 2024, Kidsland (Macau) (an indirectly wholly-owned subsidiary of the Company) as the tenant and the Company as the guarantor entered into the Tenancy Agreement with the Landlord (the counterpart of the Tenancy Agreement signed by the Landlord was received by the Group on 21 June 2024) in respect of the Premises for a term of 2 years from 1 March 2024 to 28 February 2026 (both days inclusive).

## THE TENANCY AGREEMENT

A summary of the principal terms of the Tenancy Agreement is set out below:

Date	:	18 June 2024
Parties	:	(i) Kidsland (Macau) as the tenant; (ii) the Company as the guarantor; and (iii) the Landlord
Premises	:	shops 2111a and 2113 on level 3 of the Mall
Mall	:	the mall known as Shoppes at Venetian situated in Macau
Term	:	2 years from 1 March 2024 to 28 February 2026
Rental fee	:	HK\$11,136,600 in aggregate for the term of 2 years.  From 1 March 2024 to 28 February 2025, the base fee is HK\$445,050.00 per month.  From 1 March 2025 to 31 December 2025, the base fee is HK\$476,100.00 per month.  From 1 January 2026 to 28 February 2026, the base fee is HK\$517,500.00 per month.  Payable in advance to the Landlord on the first day of each month during the term.
Guarantee	:	the Company unconditionally and irrevocably guarantees to the Landlord the due and punctual performance and observance by Kidsland (Macau) of all its obligations under the Tenancy Agreement and undertakes to indemnify the Landlord against any loss, cost or expense (on a full indemnity basis) incurred by the Landlord and agrees to pay to the Landlord the amount of any loss caused by the breach of the Tenancy Agreement by Kidsland (Macau).
Security deposit	:	HK\$1,552,500.00

## **The right-of-use asset**

The unaudited value of the right-of-use asset recognised by the Company under the Tenancy Agreement amounts to approximately HK\$10.5 million, which is the present value of the total base rental payable during the term of the Tenancy Agreement in accordance with HKFRS16. A discount rate of 5.85% per annum is applied to compute the present value of the total base rental payable under the Tenancy Agreement.

## **INFORMATION ON THE PARTIES**

### **Kidsland (Macau) as the tenant and the Company as the guarantor**

The Company is an investment holding company and its subsidiaries are principally engaged in the trading and sale of toys and related lifestyle products in Mainland China, Hong Kong and Macau.

Kidsland (Macau) is a company incorporated under the laws of Macau with limited liability and an indirect wholly-owned subsidiary of the Company. Kidsland (Macau) is primarily engaged in the retail sale of toys and related lifestyle products in Macau.

### **The Landlord**

Venetian Cotai is a company incorporated under the laws of Macau with limited liability. Venetian Cotai is the owner of the Mall and is principally engaged in the operation of hotels, restaurants, shopping mall, and conference and convention in Macau.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Venetian Cotai is an indirectly wholly-owned subsidiary of Sands China Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1928). To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Venetian Cotai and its ultimate beneficial owner(s) thereof are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## **REASONS AND BENEFITS FOR ENTERING INTO THE TENANCY AGREEMENT**

The Premises has been used by the Group for the operations of LEGO Certified Store. The Directors believe that the renewal of tenancy at the same location would provide the Group with continuity and stability to its retail operations.

The terms of the Tenancy Agreement are arrived at after arm's length negotiation and the rental is determined with reference to the prevailing market rental of similar property in the nearby locations. The Directors consider that the Tenancy Agreement has been entered into in the ordinary and usual course of business of the Group and believe that the terms of the Tenancy Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

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## DEFINITION

“Board”	the board of Directors
“Company”	Kidsland International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose issued Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 2122)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKFRS 16”	HKFRS 16 Leases
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Kidsland (Macau)”	Kidsland (Macau) Ltd., a company incorporated under the laws of Macau with limited liability and an indirectly wholly-owned subsidiary of the Company
“Landlord”	Venetian Cotai
“LEGO Certified Store”	a store, the design of which adheres to the fit-out and experience guidelines laid down by the LEGO Group, in order for customers to enjoy consistent shopping experience

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Mainland China”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Mall”	the mall known as Shoppes at Venetian situated in Macau
“Percentage Ratio(s)”	the percentage ratio(s) as defined under Rule 14.07 of the Listing Rules applied for determining the classification of notifiable transactions under the Listing Rules
“Premises”	shops 2111a and 2113 on level 3 of the Mall
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the agreement for the grant of a right to use a shop dated 18 June 2024 entered into between Kidsland (Macau), the Landlord and the Company
“Venetian Cotai”	Venetian Cotai Limited, a company incorporated under the laws of Macau with limited liability
“%”	per cent

By order of the Board  
**Kidsland International Holdings Limited**  
**Lee Ching Yiu**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 21 June 2024

*As of the date of this announcement, the Board comprises the executive Directors, namely Mr. Lee Ching Yiu (Chairman and Chief Executive Officer) and Ms. Zhong Mei; the non-executive Director, namely Mr. Du Ping; and the independent non-executive Directors, namely Mr. Cheng Yuk Wo and Mr. Huang Lester Garson.*