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MOS HOUSE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1653)

DISCLOSABLE TRANSACTION IN RELATION TO RENEWAL OF TENANCY AGREEMENT

ACQUISITION OF RIGHT-OF-USE ASSETS IN RELATION TO RENEWAL OF TENANCY

The Board is pleased to announce that on 25 April 2023 after trading hours, Regent Building Limited, an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreement as tenant with the Landlord, an independent third party, in respect of the Premises for a term of two years commenced on 1 April 2023 and ending on 31 March 2025 (both days inclusive).

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Company is required to recognize the value of the right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement is regarded as an acquisition of asset by the tenant (i.e. lessee) for the purpose of the Listing Rules.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Tenancy Agreement is more than 5% and below 25%, the Tenancy Agreement constitutes a disclosable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from Shareholders’ approval requirement pursuant to Chapter 14 of the Listing Rules.

ACQUISITION OF RIGHT-OF-USE ASSETS IN RELATION TO RENEWAL OF TENANCY AGREEMENT

The Board is pleased to announce that on 25 April 2023 after trading hours, Regent Building Limited, an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreement as tenant with the Landlord, an independent third party as landlord, in respect of the Premises for a term of two years commenced on 1 April 2023 and ending on 31 March 2025 (both days inclusive).

PRINCIPAL TERMS OF THE TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are set out below:

- Date:** 25 April 2023
- Tenant:** Regent Building Limited
- Landlord:** Happy Gear Limited
- Premises:** Shop 5, G/F, Capital Building, 183 Lockhart Road, Wanchai, Hong Kong
- Term:** Two years commenced on 1 April 2023 and ending on 31 March 2025 (both days inclusive)
- Rent:** The rent payable under the Tenancy Agreement is HK\$290,000 per calendar month (excluding government rates, utility charges and management fees) which remains the same as the previous lease and shall be paid in advance without any deduction whatsoever on the 3rd day of each and every calendar month.
- The rent payable by Regent Building Limited under the Tenancy Agreement was determined after arm's length negotiations by the parties with reference to the prevailing market rent for similar properties in the vicinity of the Premises.
- Deposit:** A security deposit of HK\$420,000 was paid upon signing of the Tenancy Agreement, which was transferred from the deposit held under the previous tenancy agreement.

The unaudited value of the right-of-use asset recognized by the Company under the Tenancy Agreement amounted to HK\$6,586,706, which is the present value of total consideration payable plus initial direct costs and estimated reinstatement cost with the lease at the inception of the lease term under the Tenancy Agreement in accordance with HKFRS 16.

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT

The Group is currently leasing the Premises for the operation of its shop branded LS3. The lease renewal for the Premises will allow the Group to continue the operation of LS3. The Directors, including the independent non-executive Directors, considered that the transactions contemplated under the Tenancy Agreement were entered into in the ordinary and usual course of business of the Group, on normal commercial terms after arm's length negotiations between the parties and were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE PARTIES

The Group is a retailer and supplier of overseas manufactured tiles in Hong Kong and Macau, specializing in high-end European imported porcelain, ceramic and mosaic tiles.

Regent Building Limited is an indirect wholly-owned subsidiary of the Company and mainly engages in leasing of properties for the Group.

The Landlord is a company incorporated in Hong Kong. Its ultimate beneficial owner is Chan U Hong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 "Leases", the Company is required to recognize the value of the right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement is regarded as an acquisition of asset by the tenant (i.e. lessee) for the purpose of the Listing Rules.

As one applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use of the Premises under the Tenancy Agreement exceeds 5% but is less than 25%, the lease transaction contemplated thereunder constitutes a disclosable transaction for the Company and is subject to the announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings:

"Board"	the board of Directors
"Company"	MOS House Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1653)
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"HKFRS"	Hong Kong Financial Reporting Standards
"Landlord"	Happy Gear Limited, a company incorporated in Hong Kong with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Premises"	the premises situated at Shop 5, G/F, Capital Building, 183 Lockhart Road, Wanchai, Hong Kong
"Shareholders"	shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement entered into between Regent Building Limited (a subsidiary of the Company) as the tenant and the Landlord dated 25 April 2023
“%”	per cent.

By order of the Board
MOS HOUSE GROUP LIMITED
Simon Tso
Chairman

Hong Kong, 25 April 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.