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MOS HOUSE GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1653)

DISCLOSEABLE 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 29 October 2021, 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 further term of two years commencing on 3 January 2022 and ending on 2 January 2024 (both days inclusive) for the Premises. The tenant received a copy of the signed Tenancy Agreement on 24 November 2021.

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 value of the right-of-use asset 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 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 29 October 2021, 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 further

term of two years commencing on 3 January 2022 and ending on 2 January 2024 (both days inclusive) for the Premises. The tenant received a copy of the signed Tenancy Agreement on 24 November 2021.

PRINCIPAL TERMS OF THE TENANCY AGREEMENT

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

- Date:** 29 October 2021
- Tenant:** Regent Building Limited (an indirect wholly-owned subsidiary of the Company)
- Landlord:** Topland Holdings Limited
- Premises:** Ground Floor, No.338 Portland Street, Kowloon
- Term:** two (2) years from 3 January 2022 to 2 January 2024 (both days inclusive)
- Rent:** The rent payable under the Tenancy Agreement is HK\$195,000 per month from 3 January 2022 to 2 January 2023 and HK\$205,000 per month from 3 January 2023 to 2 January 2024 excluding government rent, government rates, utility charges and management fees to be paid in advance without any deduction whatsoever on the 3rd day of each and every calendar month.
- Deposit:** A security deposit of HK\$600,000 was paid upon signing of the Tenancy Agreement, out of which HK\$65,000 shall be transferred from the existing security deposit as partial settlement.

The unaudited value of the right-of-use asset recognized by the Company under the Tenancy Agreement amounted to approximately HK\$4,539,000, 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 CASA88. The lease renewal for the Premises will allow the Group to continue the operation of CASA88. The 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 principally engages in leasing of properties for the Group.

The Landlord is a company incorporated in Hong Kong and its principal business is property holding and rental. 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 of the applicable percentage ratios (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 discloseable 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 director(s) of the Company
"Group"	the Company and its subsidiaries
"HKFRS"	Hong Kong Financial Reporting Standards
"Landlord"	Topland Holdings Limited
"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 Ground Floor, No.338 Portland Street, Kowloon
"Shareholders"	the 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 29 October 2021
“%”	per cent.

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

Hong Kong, 26 November 2021

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. Ho Wing Tim, Mr. Ng Wang To and Ms. Law Chui Yuk.