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## **International Housewares Retail Company Limited**

### **國際家居零售有限公司**

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

**(Stock code: 1373)**

#### **CONTINUING CONNECTED TRANSACTIONS RENEWAL OF THE TENANCY FRAMEWORK AGREEMENT RENEWAL OF ANNUAL CAPS**

Reference is made to the Prospectus with respect to, inter alia, the Tenancy Framework Agreement. Pursuant to the Tenancy Framework Agreement, the Group has entered into various tenancy arrangements with Ms. Ngai Group to lease certain premises for the retail shops, warehouse and office premises.

Since Ms. Ngai is a Director and a Controlling Shareholder, and that each member of the Ms. Ngai Group is wholly owned by Ms. Ngai, each member of the Ms. Ngai Group is the Connected Person of the Company. As such, the transactions contemplated under the Tenancy Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Tenancy Framework Agreement will expire on 30 April 2022 and is automatically renewable for another three years up to 30 April 2025, subject to compliance with the then applicable provisions of the Listing Rules. This announcement is to provide information on the New Annual Caps for each of the three years ending 30 April 2025.

As the highest applicable ratios of the New Annual caps are more than 0.1% but less than 5%, and are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

#### **BACKGROUND**

The Company is an investment holding company. Its subsidiaries are engaged in retail sales and trading of homeware products, licencing of franchise rights and provision of management services. Due to the continuing growth in the Group's operation in Hong Kong, the Group requires to lease additional premises to provide sufficient space for business expansion.

As disclosed in the Prospectus, the Group entered into the Tenancy Framework Agreement with Ms. Ngai on 27 August 2013 with effect from 25 September 2013. Pursuant to the Tenancy Framework Agreement, the Group has entered into various tenancy arrangements with Ms. Ngai Group to lease certain premises for the retail shops, warehouse and office premises.

## ANNUAL CAPS

The Tenancy Framework Agreement will expire on 30 April 2022 and is automatically renewable for successive periods of three years thereafter, subject to compliance with the then applicable provisions of the Listing Rules. For the purpose of the Listing Rules, the New Annual Caps are set for each of the three years ending 30 April 2025. Details of the Original Annual Caps and New Annual Caps are set out below.

	For financial year ended/ ending 30 April		
	2020	2021	2022
	HK\$	HK\$	HK\$
<b>Original Annual Caps</b>	38,000,000	40,000,000	42,000,000
<b>Actual aggregate amount paid or payable</b>	35,707,000	37,409,000	31,500,000*
			<small>*(for 10 months and ended on 28 February 2022)</small>
	2023	2024	2025
	HK\$	HK\$	HK\$
<b>New Annual Caps</b>	44,000,000	46,000,000	48,000,000

The New Annual Caps have been estimated with reference to the historical figures, potential increase in rentals at the time of renewing existing leases, and the estimated rentals of new leases in future.

In view of the above, the Directors (including the independent non-executive Directors) consider that the New Annual Caps are fair and reasonable. If the actual amount payable by the Group under the Tenancy Framework Agreement shall exceed the New Annual Caps or upon expiry of the renewed the Tenancy Framework Agreement on 30 April 2025, the Company will re-comply with all applicable requirements under the Listing Rules.

## LISTING RULES IMPLICATIONS

Since Ms. Ngai is a Director and a Controlling Shareholder, and that each member of the Ms. Ngai Group is wholly owned by Ms. Ngai, each member of the Ms. Ngai Group is the Connected Person of the Company. As such, the transactions contemplated under the Tenancy Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable ratios of the New Annual caps are more than 0.1% but less than 5%, and are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under the Listing Rules.

**DIRECTORS' CONFIRMATION**

The Directors (including the independent non-executive Directors) consider that the Tenancy Framework Agreement was entered into in the ordinary and usual course of business of the Group and are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the annual caps for the aggregate rental amount payable under the tenancy transactions from members of the Group pursuant to the Tenancy Framework Agreement are fair and reasonable.

**POTENTIAL CONFLICT OF INTERESTS RELATING TO THE LEASING MATTERS**

Any tenancy which was leased by our Group from, wholly or partly, Ms. Ngai or her associates was subject to approval by the Board, which has considered market information, and collect data such as prevailing market rental and other terms, and each relevant interested director abstained from voting on the relevant Board resolutions approving the terms of the tenancy agreement.

## DEFINITIONS

Unless otherwise defined, the following expressions shall have the following meanings in this announcement:

“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	International Housewares Retail Company Limited, a company incorporated under the laws of the Cayman Islands on 18 April 2013 as an exempted company with limited liability
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Tenancy Framework Agreement”	all tenancy transactions between Ms. Ngai Group and members of the Group, comply with Rule 14A.35 of the Listing Rules. The Group entered into a tenancy framework agreement with Ms. Ngai Group on 27 August 2013 with effect from 25 September 2013
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Ngai”	Ms. Ngai Lai Ha, the chairman and an executive Director of the Company
“Ms. Ngai Group”	Ms. Ngai and/or her associates (which include companies directly or indirectly wholly-owned by Ms. Ngai)

“New Annual Caps” “	the annual caps in respect of the amounts payable by the Group under the renewed the Tenancy Framework Agreement for the three financial years ending 30 April 2023, 2024 and 2025
“Original Annual Caps”	the annual caps in respect of the amounts paid or payable by the Group under the Tenancy Framework Agreement for the three financial years ended/ending 30 April 2020, 2021 and 2022
“Prospectus”	the Company’s prospectus dated 12 September 2013 in relation to the initial public offering, which is available from the Company’s website at <a href="http://www.ihr.com.hk">www.ihr.com.hk</a>
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board of  
**International Housewares Retail Company Limited**  
**NGAI Lai Ha**  
*Chairman and Executive Director*

Hong Kong, 21 April 2022

*As at the date of this announcement, the executive Directors are Ms. NGAI Lai Ha, Mr. LAU Pak Fai Peter and Mr. CHENG Sing Yuk, and the independent non-executive Directors are Mr. MANG Wing Ming Rene, Mr. NG Sze Yuen Terry and Mr. YEUNG Yiu Keung.*