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WISE ALLY

Wise Ally International Holdings Limited

麗年國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9918)

DISCLOSEABLE TRANSACTION IN RELATION TO RENEWAL OF EXISTING TENANCY AGREEMENT

THE NEW TENANCY AGREEMENT

The Board announces that on 11 December 2023, HK Wise Ally, an indirect wholly owned subsidiary of the Company, entered into the Renewal Letter with the Landlord for the purpose of renewal of the lease in respect of the Premises under the Existing Tenancy Agreement for a term of three years commencing from 1 March 2024 to 28 February 2027 (both dates inclusive) for the Group's use as head office and principal place of business in Hong Kong.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the entering into of the Renewal Letter as a tenant will require the Group to recognise the right-of-use asset in the consolidated financial statements of the Company, and thus the entering into of the Renewal Letter and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group in accordance with the Listing Rules.

As one or more than one of the applicable percentage ratios in respect of the Renewal Letter is more than 5% and below 25%, the entering into of the Renewal Letter constitutes a discloseable 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.

BACKGROUND

The Board announces that on 11 December 2023, HK Wise Ally, an indirect wholly owned subsidiary of the Company, entered into the Renewal Letter with the Landlord for the purpose of renewal of the lease in respect of the Premises under the Existing Tenancy Agreement for a term of three years commencing from 1 March 2024 to 28 February 2027 (both dates inclusive) for the Group's use as head office and principal place of business in Hong Kong.

THE RENEWAL LETTER

Details of the principal terms of the Renewal Letter are set out below:

Date	:	11 December 2023
Parties	:	(i) MegaBox Development Company Limited, as the Landlord; (ii) HK Wise Ally, an indirect wholly owned subsidiary of the Company, as the Tenant.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Landlord and its ultimate beneficial owner(s) are Independent Third Parties.

Premises	:	Units 3203-3207 on Level 32, Tower 1 of Enterprise Square Five, No. 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.
Lease term	:	Three years commencing from 1 March 2024 to 28 February 2027 (both dates inclusive).
The aggregate value of consideration payable	:	The aggregate amount of rent payable under the Renewal Letter is HK\$8,647,848, which will be funded by internal resources of the Group.
Monthly rent	:	HK\$262,056 per calendar month, exclusive of management fee, government rates and all other outgoings.

The rent under the Renewal Letter was determined after arm's length negotiations between the parties, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises and the existing rental under the Existing Tenancy Agreement.

- Rent free period** : The 1st, 13th and 24th month of the Lease Term.
- Security deposit** : A deposit of HK\$959,781, being equivalent to three months' rent and management fee, shall be paid by the Tenant to the Landlord as security deposit for the due observance and performance of its obligations under the New Tenancy Agreement.
- New Tenancy Agreement** : Upon the Tenant's acceptance of the offer pursuant to this Renewal Letter, the Landlord and the Tenant shall enter into a new tenancy agreement (the "**New Tenancy Agreement**") within 14 calendar days after the presentation of the New Tenancy Agreement to the Tenant by the Landlord's solicitors in respect of the renewed tenancy. The New Tenancy Agreement shall contain substantially the same terms and conditions as the Existing Tenancy Agreement and the Renewal Letter with such variations as shall be necessary to reflect the renewal tenancy.

RIGHT-OF-USE ASSET

Pursuant to HKFRS 16, as a result of the entering into of the Renewal Letter, the Premises leased under the New Tenancy Agreement will be recognised as right-of-use asset for an amount of HK\$7,755,646, which is calculated with reference to the aggregate lease payments and discounted by a discount rate.

REASONS FOR AND BENEFITS OF RENEWAL OF EXISTING TENANCY AGREEMENT

The Group is currently leasing the Premises for use as head office and principal place of business in Hong Kong. The Existing Tenancy Agreement will expire on 29 February 2024. The total gross floor area of the Premise is 10,919 sq.ft.. The Premises is and has been the head office and principal place of business in Hong Kong of the Group since 2018 and renewing the lease of the Premises would have saved the renovation cost spent on relocation.

The Directors considered that the transaction contemplated under the Renewal Letter was entered into in the ordinary and usual course of business of the Group, and the Renewal Letter was entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transaction contemplated under the Renewal Letter were fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group and the Company

The Company is an investment holding company. The Group is principally engaged in the provision of electronics manufacturing services offering full turnkey solutions with particular focus in consumer electronic products that covers a range of product applications including appliances, commercial control and heating, educational, ventilation and air-conditionings.

HK Wise Ally

HK Wise Ally is a limited liability company incorporated under the laws of Hong Kong. HK Wise Ally is an indirect wholly owned subsidiary of the Company and is principally engaged in sales of electronic products in Hong Kong.

The Landlord

The Landlord is a limited liability company incorporated under the laws of Hong Kong and is principally engaged in property investment.

IMPLICATIONS UNDER THE LISTING RULES

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Wise Ally International Holdings Limited (麗年國際控股有限公司), a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 9918)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Existing Tenancy Agreement”	the existing tenancy agreement entered into between the Landlord and the Tenant in relation to the Premises for a term of three years commencing from 1 March 2021 to 29 February 2024 (both dates inclusive)

“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK Wise Ally” or the “Tenant”	Wise Ally Holdings Limited, a limited liability company incorporated under the laws of Hong Kong and is an indirect wholly owned subsidiary of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Landlord”	MegaBox Development Company Limited, a limited company incorporated under the laws of Hong Kong and is indirectly wholly owned by Kerry Properties Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 683)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Tenancy Agreement”	the new tenancy agreement to be entered into between the Landlord and HK Wise Ally in relation to the Premises
“Premises”	Units 3203-3207 on Level 32, Tower 1 of Enterprise Square Five, No. 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong
“Renewal Letter”	the renewal letter dated 11 December 2023 entered into between the Landlord and HK Wise Ally in relation to the Premises

“Shareholder(s)” holder(s) of share(s) issued by the Company
“sq.ft.” square feet
“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board
Wise Ally International Holdings Limited
Chu Wai Hang Raymond
Chairman and Executive Director

Hong Kong, 11 December 2023

As at the date of this announcement, the executive Directors are Mr. Chu Wai Hang Raymond, Mr. Chu Man Yin Arthur Newton and Mr. Lau Shui Fung; and the independent non-executive Directors are Ms. Elizabeth Law, Mr. Lee Wa Lun Warren and Mr. Szeto Yuk Ting.