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WING ON COMPANY INTERNATIONAL LIMITED

永安國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 289)

CONTINUING CONNECTED TRANSACTION – TENANCY RENEWAL

The Directors of the Company announce that WODS, a wholly-owned subsidiary of the Company, has entered into a Tenancy Agreement on 11 December 2014 to renew the existing tenancy of Basement 1, Portion of Ground Floor and the whole of 1st to 6th Floors, Wing On Kowloon Centre, 345 Nathan Road, Kowloon, Hong Kong for a fixed term of three years from 1 January 2015 to 31 December 2017 with WOCO, a wholly-owned subsidiary of the Company, and WOPS.

The Premises is jointly owned by WOCO and WOPS in the interest of 64.37% and 35.63% respectively.

Since WOPS is an indirect non wholly-owned subsidiary of Kee Wai (BVI), a substantial shareholder of the Company, which in turn is holding approximately 61.14% interest in the existing issued share capital of the Company, the Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

Each of the relevant percentage ratios as set out in Rule 14.07 of the Listing Rules for the annual rental payable to WOPS under the Tenancy Agreement is less than 5% of the applicable percentage ratios of the Company, the Tenancy Agreement will be classified as a continuing connected transaction under Rule 14A.76(2)(a) of the Listing Rules and is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

This continuing connected transaction will be subject to annual review and reporting requirements under Rules 14A.55 to 14A.59 and Rules 14A.71 to 14A.72 of the Listing Rules respectively.

TENANCY AGREEMENT

On 11 December 2014, WODS entered into the Tenancy Agreement with WOCO and WOPS in respect of the Premises. Major terms of the Tenancy Agreement are as follows:-

Landlord: The Wing On Company Limited and The Wing On Properties and Securities Company Limited

Tenant: The Wing On Department Stores (Hong Kong) Limited

Premises: Basement 1, Portion of Ground Floor and the whole of 1st to 6th Floors, Wing On Kowloon Centre, 345 Nathan Road, Kowloon, Hong Kong

Lettable area: 132,757 square feet as agreed between the Landlord and the Tenant under the Tenancy Agreement

Use: Restricted for commercial use

Term: Three years fixed term commencing from 1 January 2015 to 31 December 2017.

Rent: HK\$6,240,000 per month (exclusive of rates, air-conditioning charges, management fee and all other outgoings), to be settled by cash on a monthly basis, which is determined and based on the market rental value of the Premises of HK\$7,800,000 per month as stated in a valuation report dated 2 December 2014 issued by DTZ Debenham Tie Leung Limited, an independent property valuer, less a 20% discount. The maximum aggregate annual rental payable to WOPS would be HK\$26,679,744.

Rent Free Period: Nil

REASONS FOR RENEWING THE TENANCY AGREEMENT

The Group is principally engaged in the operation of department stores and property investment. WOCO is principally engaged in property investment and WODS is principally engaged in the operation of department stores. WOPS is an investment holding and property investment company.

The Premises is currently occupied by WODS trading as the wing on *Plus* department store which is very popular for shoppers in Kowloon and is a major and viable branch of the Group's department store operations.

All independent non-executive directors are of the view that it is commercially beneficial for WODS to renew the existing tenancy since the new rent is 20% below the market rental value which has been determined by DTZ Debenham Tie Leung Limited, an independent property valuer. Furthermore, all independent non-executive directors are of the opinion that the new rent is at arm's length as the same has been verified by the said independent property valuer and that the Tenancy Agreement had been entered into on normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Group.

The new rent of HK\$6,240,000 per month represents an increase of 30% compared to the current rent of HK\$4,800,000 per month (exclusive of rates, air-conditioning charges, management fee and all other outgoings). However, the new rent represents a 20% discount from the market rental as assessed by the said independent property valuer. The rent paid to WOPS for the year ended 31 December 2013 and 31 December 2014 amounted to HK\$20,522,880 for each of the respective year.

Mr. Karl C. Kwok, Mr. Lester Kwok, Dr. Bill Kwok and Mr. Mark Kwok, all being substantial shareholders and directors of Kee Wai (BVI), are considered to have a material interest in the Tenancy Agreement, and therefore they have abstained from voting on the board resolution approving the Tenancy Agreement.

CONTINUING CONNECTED TRANSACTION

The Premises is jointly owned by WOCO and WOPS in the interest of 64.37% and 35.63% respectively.

Since WOPS is an indirect non wholly-owned subsidiary of Kee Wai (BVI), a substantial shareholder of the Company, which in turn is holding approximately 61.14% interest in the existing issued share capital of the Company, the Tenancy Agreement constitutes a continuing connected transaction for the Company under the Listing Rules.

Each of the relevant percentage ratios as set out in Rule 14.07 of the Listing Rules for the annual rental payable to WOPS under the Tenancy Agreement is less than 5% of the applicable percentage ratios of the Company, the Tenancy Agreement will be classified as a continuing connected transaction under Rule 14A.76(2)(a) of the Listing Rules and is exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

This continuing connected transaction will be subject to annual review and reporting requirements under Rules 14A.55 to 14A.59 and Rules 14A.71 to 14A.72 of the Listing Rules respectively.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context required otherwise.

“Board”	the Board of Directors of the Company
“Company”	Wing On Company International Limited, a company incorporated in Bermuda and the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Directors”	the Directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Kee Wai (BVI)”	Kee Wai Investment Company (BVI) Limited, a company incorporated in the British Virgin Islands
“Landlord”	The Wing On Company Limited and The Wing On Properties and Securities Company Limited

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Premises”	Basement 1, Portion of Ground Floor and the whole of 1st to 6th Floors, Wing On Kowloon Centre, 345 Nathan Road, Kowloon, Hong Kong
“Substantial Shareholder”	has the meaning as given in the Listing Rules
“Tenant”	The Wing On Department Stores (Hong Kong) Limited
“Tenancy Agreement”	the tenancy agreement entered into between WODS, WOCO and WOPS on 11 December 2014 for the Premises
“WOCO”	The Wing On Company Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong
“WODS”	The Wing On Department Stores (Hong Kong) Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong
“WOPS”	The Wing On Properties and Securities Company Limited, a company incorporated in Hong Kong

By Order of the Board

Karl C. Kwok

Chairman

Hong Kong, 11 December 2014

As at the date of this announcement, the executive directors of the Company are Mr. Karl C. Kwok (Chairman), Mr. Lester Kwok (Deputy Chairman and Chief Executive Officer) and Mr. Mark Kwok, the non-executive director is Dr. Bill Kwok, and the independent non-executive directors are Miss Maria Tam Wai Chu, Mr. Ignatius Wan Chiu Wong, Mr. Iain Ferguson Bruce and Mr. Leung Wing Ning.