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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)

INSIDE INFORMATION
CLOSURE OF TAIKOO SHING STORE

The Company announces that the existing lease of department store in Taikoo Shing will not be renewed or extended and accordingly the Company anticipates the closure of the Taikoo Shing department store on or before the expiry of the existing lease in August 2015.

This announcement is made by the Company, together with its subsidiaries (the “Group”), pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

The Board wishes to announce that it has been informed by the landlord of its’ department store at Cityplaza, 18 Taikoo Shing Road, Taikoo Shing, Hong Kong (the “Taikoo Shing Store”) that the landlord is unwilling to extend or renew the current lease of the Taikoo Shing Store and requires the Group to vacate the premises upon the expiry of the existing lease in August 2015. Having regard to the revenue and profit generated from the Taikoo Shing Store, the Board is of the view that the closure of the store will not have a material impact on the financial results of the Group as a whole.

INFORMATION ABOUT THE TAIKOO SHING STORE

The Group has been operating the Taikoo Shing Store since 1987. The revenue attributable to the Taikoo Shing Store for the 12 months period ended 31 December 2013 (audited) and the 6 months period ended 30 June 2014 (unaudited) was approximately 8.9% and 9.2%, respectively, of the Group’s total revenue for the same periods. However the profits contributed to the Group for the same periods were below 1% of the Group’s profit attributable to shareholders.

Currently the number of staff employed by the Group and working at the Taikoo Shing Store is about 80. The Company’s current intention is to redeploy all affected staff to the Group’s other stores and operations.

FINANCIAL EFFECT OF THE CLOSURE ON THE GROUP

As explained above, neither the revenue nor profit contributed by the Taikoo Shing Store for the 6 months period ended 30 June 2014 was material.

In addition and based on initial findings, the Group estimates that the reinstatement costs associated with the lease of the Taikoo Shing Store premises and other costs associated with the closure of the Taikoo Shing Store will not be material in the context of the Group.

Taking into consideration the above factors, the Board is of the view that the closure of the Taikoo Shing Store will not have a material impact on the financial results of the Group as a whole.

By Order of the Board
Karl C. Kwok
Chairman

Hong Kong, 26 February 2015

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.