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MS CONCEPT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8447)

DISCLOSEABLE TRANSACTION IN RELATION TO THE LEASE RENEWAL OF THE PREMISES IN RESPECT OF EXISTING RESTAURANTS

THE LEASE RENEWAL OF THE PREMISES IN RESPECT OF EXISTING RESTAURANTS

The Board announces that Offer Letter 1 and Offer Letter 2 were signed and returned to Eagle PM (an independent Third Party) by Lord Master (a wholly-owned subsidiary of the Company) as tenant, for the lease renewal of Premises 1 and Premises 2 in respect of existing restaurants for a term of one year and seven months commencing from 1 March 2025 to 21 September 2026 (both days inclusive).

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16 *Leases*, the Company if entering into lease transaction as lessee will recognise a right-of-use asset in its consolidated financial statements. Such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules.

Since both Offer Letter 1 and Offer Letter 2 were entered into by the Group with the same landlords, Offer Letter 1 and Offer Letter 2 would be aggregated as a series of transactions of the Company pursuant to Rule 19.22 of the GEM Listing Rules. As one or more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Offer Letters based on the value of the right-of-use asset recognised by the Group on an aggregate is more than 5% but below 25%, the signing of the Offer Letters constitutes a discloseable transaction of the Company, and is therefore subject to notification and announcement requirements but exempt from Shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

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Details of the principal terms of the Offer Letters are set out below:

Offer Letter 1

Parties: (1) Eagle Property Management (CP) Limited, an Independent Third Party, as property management company;

(2) Benington Limited and Renaissance City Development Company Limited, Independent Third Parties, as landlords; and

(3) Lord Master Limited, a wholly-owned subsidiary of the Company, as tenant

Premises : Shop No.1, Level 13, Langham Place, 8 Argyle Street, Mong Kok, Kowloon

Term : 1 March 2025 to 21 September 2026 (both days inclusive)

Total amount payable : The aggregate amount payable under the Offer Letter 1 is approximately HK\$3.9 million (inclusive of management fee, air-conditioning and promotion levy) subject to additional turnover rent representing the amount by which 12% of the monthly gross sales turnover exceeds the monthly basic rent of each calendar month in accordance with the Offer Letter 1, which will be satisfied by internal resources of the Group.

The rent is determined after arm's length negotiations between the Landlords and Lord Master after taking into consideration the prevailing market price of comparable premises in the vicinity of the Premises 1.

Offer Letter 2

- Parties :
- (1) Eagle Property Management (CP) Limited, Independent Third Party, as property management company;
 - (2) Benington Limited and Renaissance City Development Company Limited, Independent Third Parties, as landlords; and
 - (3) Lord Master Limited, a wholly-owned subsidiary of the Company, as tenant
- Premises : Shop No.2, Level 13, Langham Place, 8 Argyle Street, Mong Kok, Kowloon
- Term : 1 March 2025 to 21 September 2026 (both days inclusive)
- Total amount payable : The aggregate amount payable under the Offer Letter 2 is approximately HK\$2.1 million (inclusive of management fee, air-conditioning and promotion levy) subject to additional turnover rent representing the amount by which 12% of the monthly gross sales turnover exceeds the monthly basic rent of each calendar month in accordance with the Offer Letter 2, which will be satisfied by internal resources of the Group.

The rent is determined after arm's length negotiations between the Landlords and Lord Master after taking into consideration the prevailing market price of comparable premises in the vicinity of the Premises 2.

THE RIGHT-OF-USE ASSET

The value of the right-of-use asset recognised by the Company under the Offer Letters amounted to approximately HK\$3.0 million, which is calculated with reference to the present value of the aggregated lease payments to be made under Offer Letters in accordance with HKFRS 16 *Leases*.

Since the turnover rent under Offer Letters can only be reliably estimated according to the gross sales turnover generated from the operation of the existing restaurants, such amount constitutes variable lease payments and were not included in the measurement of the lease liability at initial recognition under HKFRS 16 *Leases*. Therefore, no right-of-use asset related to the turnover rent is recognised, and the turnover rent will be charged to the profit or loss of the Group in accordance with HKFRS 16 *Leases*.

REASON FOR AND THE BENEFITS OF ENTERING THE LEASE

The Group is principally engaged in the provision of catering services in Hong Kong.

The Group leased Premises 1 under the lease agreement for the operation of its restaurant under the brand “Sky Bar” which will expire on 30 September 2025. In evaluating the renewal of lease for Premises 1, the Directors consider that (i) the restaurant has been operated in Premises 1 for over 16 years; (ii) the monthly rental per square feet of gross floor area of Premises 1 is fair and reasonable; and (iii) entering of Offer Letter 1 will enable the Group to continue its restaurant operation at Premises 1.

The Group leased Premises 2 under the lease agreement for the operation of its restaurant under the brand “Bistro Bloom” which will expire on 30 September 2025. In evaluating the renewal of lease for Premises 2, the Directors consider that (i) the restaurant has been operated in Premises 2 for over 20 years; (ii) the monthly rental per square feet of gross floor area of Premises 2 is fair and reasonable; and (iii) entering into Offer Letter 2 will enable the Group to continue its restaurant operation at Premises 2.

The Directors, including the independent non-executive Directors, considered that the transactions contemplated under the Offer Letters were entered into in the ordinary and usual course of business of the Group, and the Offer Letters were entered into on normal commercial terms after arm’s length negotiations between the parties, and the terms of the transactions contemplated under the Offer Letters were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES INFORMATION ON THE PARTIES

Information on the Group and Lord Master

The Group is principally engaged in the provision of catering services in Hong Kong.

Lord Master is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. Lord Master is principally engaged in the business of providing catering services.

Information on the Landlords

To the best knowledge, information and belief of the Directors having made all reasonable enquiries and the publicly available information, (i) Eagle PM and the Landlords are subsidiaries owned by Great Eagle Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 41) and is principally engaged in property management and property investment, respectively; and (ii) each of Eagle PM, the Landlords, Great Eagle Holdings Limited and their ultimate beneficial owners are Independent Third Parties.

There is, and in the past twelve months, there has been, no material loan arrangement between (a) Eagle PM, the Landlords, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of Eagle PM and the Landlords who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction).

LISTING RULES IMPLICATION

Pursuant to HKFRS 16 *Leases*, the Company if entering into lease transaction as lessee will recognise a right-of-use asset in its consolidated financial statements. Such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules.

Since both Offer Letter 1 and Offer Letter 2 were entered into by Group with the same landlords, Offer Letter 1 and Offer Letter 2 would be aggregated as a series of transactions of the Company pursuant to Rule 19.22 of the GEM Listing Rules. As one or more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Offer Letters based on the value of the right-of-use asset recognised by the Group on an aggregate is more than 5% but below 25%, transaction contemplated under the Offer Letters constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements but exempt from Shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the Board of Directors of the Company
“Director(s)”	director(s) of the Company
“Eagle PM”	Eagle Property Management (CP) Limited, a property management company and being a subsidiary owned by Great Eagle Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 41)
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	Rules governing the Listing of Securities on GEM, as amended, modified, and supplemented from time to time
“Group”	the Company and its subsidiaries

“HKFRS(s)”	Hong Kong Financial Reporting Standard(s) issued by the Hong Kong Institute of Certified Public Accountants
“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 person(s) in accordance with the GEM Listing Rules
“Landlords”	Benington Limited and Renaissance City Development Company Limited, being subsidiaries owned by Great Eagle Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 41)
“Lord Master”	Lord Master Limited (爵士有限公司), a limited liability company incorporated in Hong Kong on 6 December 2002 and a wholly-owned subsidiary of the Company
“Offer Letter 1”	A letter of lease signed back by Lord Master in relation to lease renewal of Premises 1
“Offer Letter 2”	A letter of lease signed back by Lord Master in relation to lease renewal of Premises 2
“Offer Letters”	Offer Letter 1 and Offer Letter 2
“Premises 1”	Shop No.1, Level 13, Langham Place, 8 Argyle Street, Mong Kok, Kowloon
“Premises 2”	Shop No.2, Level 13, Langham Place, 8 Argyle Street, Mong Kok, Kowloon
“Premises”	Premises 1 and Premises 2

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$” or “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board
MS Concept Limited
Kwong Tai Wah
Chairman and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the executive Directors are Mr. Kwong Tai Wah (Chairman and Chief Executive Officer), Ms. Kwong Man Yui (Vice Chairlady) and Mr. Lam On Fai; and the independent non-executive Directors are Mr. Lai Ming Fai Desmond, Dr. Cheng Lee Lung and Mr. Kwok Yiu Chung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Listed Company Information” page of the website of the Stock Exchange (www.hkexnews.hk) for at least seven days from the date of its publication. This announcement will also be published on the website of the Company (www.mrsteak.com.hk).

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.