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MS GROUP HOLDINGS LIMITED

萬成集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1451)

CONNECTED TRANSACTION IN RELATION TO RENEWAL OF TENANCY AGREEMENTS

Reference is made to the announcement of the Company dated 27 May 2024 in relation to the 2024 Lease Agreements.

THE 2026 LEASE AGREEMENTS

The Group has been leasing certain premises for the office in Hong Kong and the Production Base in the PRC from Kwong Fai and Penghui, respectively, pursuant to the 2024 Lease Agreements. The 2024 Lease Agreements have expired on 31 May 2026.

The Group intends to continue to lease the Premises for its ongoing business operations, therefore the Group entered into the 2026 Lease Agreements with Kwong Fai and Penghui, respectively, on 1 June 2026 to renew the relevant 2024 Lease Agreements for a term commencing from 1 June 2026 and ending on 31 May 2027 (both days inclusive).

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, (i) Kwong Fai is indirectly wholly-owned by a company jointly owned by Mr. Peter Chung and his spouse; (ii) Penghui is wholly-owned by a company owned as to 50% by Mr. Peter Chung and as to 50% by Mr. C Chau; and (iii) both Mr. Peter Chung and Mr. C Chau are executive Directors. Accordingly, each of Kwong Fai and Penghui is a connected person of the Company, and the transactions contemplated under the 2026 Lease Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16, the Group will recognise the value of the right-of-use assets in connection with the leasing of the Premises under the 2026 Lease Agreements. Accordingly, the rental transactions under the 2026 Lease Agreements are regarded as acquisitions of assets by the Group for the purpose of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the rental transactions under the 2026 Lease Agreements are aggregated for the purpose of the applicable size tests. The aggregate value of the right-of-use assets to be recognised under the 2026 Lease Agreements is approximately HK\$4,274,000.

As the highest applicable percentage ratio (as defined under the Listing Rules) for these aggregated transactions (based on the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16) exceeds 0.1% but is less than 5%, the transactions as a whole constitute a connected transaction of the Company subject to the notification and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 27 May 2024 in relation to the 2024 Lease Agreements.

The Group has been leasing certain premises for the office in Hong Kong and the Production Base in the PRC from Kwong Fai and Penghui, respectively, pursuant to the 2024 Lease Agreements. As the 2024 Lease Agreements have expired on 31 May 2026 and the Group intends to continue to lease the Premises for its ongoing business operations, the Group entered into the 2026 Lease Agreements with Kwong Fai and Penghui, respectively, on 1 June 2026 to renew the relevant 2024 Lease Agreements for a term commencing from 1 June 2026 and ending on 31 May 2027 (both days inclusive).

THE 2026 LEASE AGREEMENTS

On 1 June 2026, Main Success (as lessee) and Kwong Fai (as lessor) entered into a tenancy agreement, pursuant to which Kwong Fai agreed to lease to Main Success the premises situated at Room 907, 9/F., Enterprise Square Tower 1, 9 Sheung Yuet Road, Kowloon Bay, Hong Kong for use as the head office of the Company in Hong Kong for the period commencing from 1 June 2026 and ending on 31 May 2027 (both days inclusive).

On 1 June 2026, Wancheng Plastic (as lessee) and Penghui (as lessor) entered into a lease agreement, pursuant to which Penghui agreed to lease to Wancheng Plastic certain premises situated at Penghui Industries Area, Guandu Economy Development Test Zone, Wengcheng Town, Wengyuan County, Shaoguan City, Guangdong Province, the PRC for use as the Production Base for the period commencing from 1 June 2026 and ending on 31 May 2027 (both days inclusive).

The details of the 2026 Lease Agreements are as follows:

Parties to the relevant 2026 Lease Agreements			Approximate Gross Floor Area	Monthly Rental	Use
Landlord	Tenant	Premises			
1. Kwong Fai	Main Success	Room 907, 9/F., Enterprise Square Tower 1, 9 Sheung Yuet Road, Kowloon Bay, Hong Kong	2,733 sq.ft.	HK\$46,461.00 ^{Note}	Head office
2. Penghui	Wancheng Plastic	Penghui Industries Area, Guandu Economy Development Test Zone, Wengcheng Town, Wengyuan County, Shaoguan City, Guangdong Province, the PRC	38,610 sq.m.	<i>Including VAT</i> RMB301,156.36 (equivalent to approximately HK\$346,028.66) <i>Excluding VAT</i> RMB276,290.24 (equivalent to approximately HK\$317,457.49)	Production Base

Note: Exclusive of rates, government rent, management charges and other outgoings.

Basis for determination of the rentals

The terms of the 2026 Lease Agreements have been agreed by the parties after arm's length negotiations and were on normal commercial terms. The monthly rental for each of the 2026 Lease Agreements was determined based on the fair rent value assessed by an independent valuer, which is in line with the prevailing market rent of other premises with conditions comparable to those under the 2026 Lease Agreements.

The aggregate value of the rental payable by the Company under the 2026 Lease Agreements for the one-year period is approximately HK\$4,367,000, which is expected to be financed by the internal resources of the Group. The aggregate value of the right-of-use assets to be recognised by the Company is approximately HK\$4,274,000.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 LEASE AGREEMENTS

The 2024 Lease Agreements have expired on 31 May 2026 and the Group intends to continue to lease the Premises for its ongoing business operations, therefore the Group entered into the 2026 Lease Agreements to renew the relevant 2024 Lease Agreements. The Directors are of the view that the renewal is beneficial to the Group after primarily taking into account (i) the saving of relocation costs; (ii) the historical and ongoing smooth operation of the businesses of the Group at the Premises; and (iii) the rental rates were determined based on the fair rent value assessed by an independent valuer.

The Directors (including the independent non-executive Directors) consider that the rental transactions contemplated under the 2026 Lease Agreements have been entered into on normal commercial terms, and the terms of the 2026 Lease Agreements (including the rental) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES TO THE 2026 LEASE AGREEMENTS

The Company was incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the production and sales of plastic bottles and cups for infants and toddlers and plastic sports bottles on an original equipment manufacturing (OEM) basis, predominately targeting the overseas markets.

Main Success is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. It is principally engaged in the manufacturing of plastic products.

Wancheng Plastic is an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability. The business scope of Wancheng Plastic includes the establishment of research and development organisations (without separate legal entity), as well as research and development, design, production and sales of toys, toddler's products, daily plastic hardware, packaging products, coloured paper boxes, paper boxes and thermoforming products; and printing of packaging products, plastic films, coloured paper boxes, paper boxes and thermoforming products.

Kwong Fai is a limited liability company incorporated in Hong Kong which is principally engaged in property holding. It is indirectly wholly-owned by Century Project Inc., a company jointly owned by Mr. Peter Chung and his spouse.

Penghui is a limited liability company established in the PRC and its business scope includes investing in and development of industrial factories and ancillary facilities, as well as the provision of leasing and management services at Xinjiang Town, Wengyuan County (翁源縣新江鎮), the PRC. It is wholly owned by Sharp Success, which is in turn owned as to 50% by Mr. Peter Chung and as to 50% by Mr. C Chau. Sharp Success is a limited liability company incorporated in Hong Kong which is principally engaged in letting of motor vehicle permit and investments holding.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, L.V.E.P. Holdings held 146,772,000 Shares, representing approximately 71.81% of the number of Shares in issue. L.V.E.P. Holdings is wholly and beneficially owned by Mr. Peter Chung, an executive Director. Mr. Peter Chung is therefore a controlling shareholder and a connected person of the Company for the purposes of the Listing Rules. Further, as at the date of this announcement, Mr. C Chau is an executive Director and, accordingly, a connected person of the Company under the Listing Rules. Since Kwong Fai and Penghui, being the landlords under the 2026 Lease Agreements, are respectively controlled by the connected persons of the Company, each of Kwong Fai and Penghui is a connected person of the Company, and the rental transactions contemplated under the 2026 Lease Agreements therefore constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16 “Leases”, the Group will recognise the value of the right-of-use assets in connection with the leasing of the Premises under the 2026 Lease Agreements. Accordingly, the rental transactions under the 2026 Lease Agreements are regarded as acquisitions of assets by the Group for the purpose of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the rental transactions under the 2026 Lease Agreements are aggregated for the purpose of the applicable size tests. The aggregate value of the right-of-use assets to be recognised under the 2026 Lease Agreements is approximately HK\$4,274,000.

As the highest applicable percentage ratio (as defined under the Listing Rules) for these aggregated transactions (based on the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16) exceeds 0.1% but is less than 5%, the transactions as a whole constitute a connected transaction of the Company subject to the notification and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders’ approval requirements under Rule 14A.76(2) of the Listing Rules.

By virtue of (i) Mr. Peter Chung’s interest in Kwong Fai, Penghui and Sharp Success; and (ii) Mr. C Chau’s interest in Penghui and Sharp Success, Mr. Peter Chung, Mr. Leonard Chung (being an executive Director and the son of Mr. Peter Chung), Mr. C Chau and Mr. W Chau (being an executive Director and the son of Mr. C Chau) are considered to have a material interest in the 2026 Lease Agreements, they have therefore abstained from voting on the resolutions of the Board relating to the 2026 Lease Agreements and the transactions contemplated thereunder.

Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the 2026 Lease Agreements and was required to abstain from voting on the relevant Board resolutions approving the 2026 Lease Agreements and the transactions contemplated thereunder.

DEFINITIONS

In this announcement, unless otherwise defined, terms used herein shall have the following meanings:

“2024 Lease Agreements”	(i) the tenancy agreement entered into between Kwong Fai and Main Success dated 27 May 2024 in respect of the premises used as the Company’s head office in Hong Kong; and (ii) the lease agreements entered into between Penghui and Wancheng Plastic and between Penghui and Shaoguan Anyu Baby Products Company Limited* (韶關安裕嬰童用品有限公司) each dated 27 May 2024 in respect of the premises used as the Production Base, respectively
“2026 Lease Agreements”	(i) the tenancy agreement entered into between Kwong Fai and Main Success dated 1 June 2026 in respect of the premises used as the Company’s head office in Hong Kong; and (ii) the lease agreement entered into between Penghui and Wancheng Plastic dated 1 June 2026 in respect of the premises used as the Production Base
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	MS Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1451)
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Kwong Fai”	Kwong Fai Trading Limited, a limited liability company incorporated in Hong Kong on 26 March 1991, the shareholding interest of which is indirectly wholly-owned by Century Project Inc., a company jointly owned by Mr. Peter Chung and his spouse

“L.V.E.P. Holdings”	L.V.E.P. Holdings Limited, a limited liability company incorporated in the BVI on 9 March 2017 and wholly-owned by Mr. Peter Chung
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified and supplemented from time to time
“Main Success”	Main Success Industrial Limited (萬成實業有限公司), a limited liability company incorporated in Hong Kong on 6 March 2007 and an indirect wholly-owned subsidiary of the Company
“Mr. C Chau”	Mr. Chau Ching (周青), an executive Director
“Mr. W Chau”	Mr. Chau Wai (周瑋), the son of Mr. C Chau and an executive Director
“Mr. Leonard Chung”	Mr. Chung Leonard Shing Chun (鍾丞晉), the son of Mr. Peter Chung and an executive Director
“Mr. Peter Chung”	Mr. Chung Kwok Keung Peter (鍾國強), a controlling shareholder of the Company and an executive Director
“Penghui”	Penghui Qiye (Wengyuan) Company Limited* (鵬輝企業(翁源)有限公司), an entity established in the PRC on 1 August 2005, the equity interest of which is wholly- owned by Sharp Success, a connected person of the Company
“PRC”	People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Premises”	the leased premises under the 2026 Lease Agreements
“Production Base”	the production plant of the Group situated in the Wengyuan County, Shaoguan City, Guangdong Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Sharp Success”	Sharp Success Enterprises Limited (鵬輝企業有限公司), a limited liability company incorporated in Hong Kong, the shareholding interest of which is owned as to 50% by Mr. Peter Chung and as to 50% by Mr. C Chau

“sq.ft.”	square feet
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“VAT”	value added tax
“Wancheng Plastic”	Wengyuanxian Wancheng Plastic Products Company Limited* (翁源縣萬成塑膠製品有限公司), a limited liability company established in the PRC on 20 April 2007 and an indirectly wholly-owned subsidiary of the Company
“%”	per cent.

* *The English translations of Chinese names or words in this announcement, where indicated, are included for information purposes only, and should not be regarded as the official English translations of such Chinese names or words.*

By order of the Board
MS Group Holdings Limited
Chau Ching
Chairman

Hong Kong, 1 June 2026

As at the date of this announcement, the executive Directors are Mr. Chau Ching, Mr. Chung Kwok Keung Peter, Mr. Chung Leonard Shing Chun, Mr. Chau Wai and Ms. Lo Siu Fun Helena; and the independent non-executive Directors are Mr. Yu Hon To David, Mr. Seto John Gin Chung and Mr. Asvaintra Bhanusak.

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.149. This exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.