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 AN EXISTING RESTAURANT

THE LEASE RENEWAL OF THE PREMISES IN RESPECT OF AN EXISTING RESTAURANT

The Board announces that the Offer Letter was signed and returned to Best Profit (an Independent Third Party) as landlord on 16 May 2025 by Lord Restaurant HP (a wholly-owned subsidiary of the Company) as tenant, for the renewal of the Lease for a term of three years commencing from 26 May 2025 to 25 May 2028 (both days inclusive).

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16 *Leases*, the Company, upon entering into a 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.

As one or more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Lease based on the value of the right-of-use asset recognised by the Group is more than 5% but below 25%, the Lease constitutes a discloseable transaction of the Company, and is therefore subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE LEASE RENEWAL OF THE PREMISES IN RESPECT OF AN EXISTING RESTAURANT

The Board announces that the Offer Letter was signed and returned to Best Profit (an Independent Third Parties) as landlord on 16 May 2025 by Lord Restaurant HP (a wholly-owned subsidiary of the Company) as tenant, for the renewal of the Lease for a term of three years commencing from 26 May 2025 to 25 May 2028 (both days inclusive).

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

Parties:	(1) Best Profit Limited, an Independent Third Party, as landlord; and (2) Lord Restaurant HP Limited, a wholly-owned subsidiary of the Company, as tenant
Premises:	UG59–63, 65, 75–79, Floor UG, Olympian City 3, 1 Hoi Wang Road South, West Kowloon
Term:	26 May 2025 to 25 May 2028 (both days inclusive)
Total amount payable:	The aggregate amount payable under the Lease is approximately HK$9.2 million (inclusive of promotion levy, management charges, government rent and rates) subject to additional turnover rent representing the amount by which 13% of the monthly gross sales turnover exceeds the monthly basic rent of each calendar month in accordance with the Lease, which will be satisfied by internal resources of the Group. The rent is determined after arm's length negotiations between Best Profit and Lord Restaurant HP after taking into consideration the prevailing market price of comparable premises in the vicinity of the Premises.

THE RIGHT-OF-USE ASSET

The value of the right-of-use asset recognised by the Company under the Lease amounted to approximately HK$5.7 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease in accordance with HKFRS 16 *Leases*.

Since the turnover rent under the Lease can only be reliably estimated according to the gross sales turnover generated from the operation of the Restaurant, 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 the Premises under the lease agreement for the operation of its Restaurant will expire on 25 May 2025. In evaluating the renewal of the Lease, the Directors consider that (i) the Restaurant has been operated in the Premises for approximate four years; (ii) the monthly rental per square feet of gross floor area of the Premises is fair and reasonable; and (iii) entering of the Lease will enable the Group to continue its operation of the Restaurant at the Premises.

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

INFORMATION OF THE PARTIES

Information on the Group and Lord Restaurant HP

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

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

Information on Best Profit

To the best knowledge, information and belief of the Directors having made all reasonable enquiries and the publicly available information, (i) Best Profit is principally engaged in property investment; (ii) Best Profit is a company incorporated in Hong Kong with limited liability and is owned as to 50%, 25% and 25% by Sino Land, Chinese Estates and Nan Fung Development Limited, a private company incorporated in Hong Kong with limited liability, respectively; and (iii) each of Best Profit and the ultimate beneficial owners of Best Profit are Independent Third Parties.

There is, and in the past twelve months, there has been, no material loan arrangement between (a) Best Profit, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of Best Profit 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, upon entering into a 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.

As one or more than one of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Lease is more than 5% but below 25%, the Lease constitutes a discloseable transaction for the Company, and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

"Best Profit"	Best Profit Limited, a company which was incorporated in Hong Kong with limited liability on 24 June 2005
"Board"	the Board of Directors of the Company
"Chinese Estates"	Chinese Estates Holdings Limited, an exempted company incorporated in Bermuda with limited liability and it shares are listed on the Main Board of the Stock Exchange (stock code: 127)
"Director(s)"	director(s) of the Company
"GEM"	GEM of the Stock Exchange
"GEM Listing Rules"	the 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
"Lease"	the lease of the Premises for the operation of the Restaurant by the acceptance of signing the Offer Letter
"Lord Restaurant HP"	Lord Restaurant HP Limited, a limited liability company incorporated in Hong Kong and being a wholly-owned subsidiary of the Company
"Offer Letter"	an offer letter (signed and returned by Lord Restaurant HP on 16 May 2025) in relation to the lease renewal of the Premises which stipulated the principal terms of the Lease
"Premises"	UG59–63, 65, 75–79, Floor UG, Olympian City 3, 1 Hoi Wang Road South, West Kowloon
"Restaurant"	the restaurant operated by the Company at the Premises under the brand "犇殿台灣火鍋"
"Shares"	ordinary share(s) with a nominal value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Sino Land"	Sino Land Company Limited, a company which was incorporated in Hong Kong with limited liability and is listed on the Main Board of the Stock Exchange (stock code: 83)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK$" 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, 16 May 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.