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**翠華集團®**  
**TSUI WAH GROUP**

**Tsui Wah Holdings Limited**

**翠華控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1314)**

**CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF LEASE AGREEMENT IN RESPECT OF  
HUNG TO ROAD PREMISES  
AND REVISION OF ANNUAL CAP**

Reference is made to the announcement of the Company dated 17 April 2019. According to the aforesaid announcement, Success Path (as landlord) and Ever Million Rich (as tenant) entered into the 2019 Lease Agreement, pursuant to which Success Path agreed to lease the Hung To Road Premises to Ever Million Rich for a term of one year from 18 April 2019 to 17 April 2020 (both days inclusive).

The Board announces that as the 2019 Lease Agreement has expired on 17 April 2020, Success Path (as landlord) and Ever Million Rich (as tenant) have entered into the Renewed Lease Agreement on 20 April 2020 (after the securities trading hours of the Stock Exchange) in respect of the Hung To Road Premises for a further term of one year commencing on 18 April 2020 and ending on 17 April 2021 (both days inclusive). In view of the renewal under the Renewed Lease Agreement, it is necessary to revise and increase the Original Annual Cap for FY ending 31 March 2021 to the Revised Annual Cap and set the New Annual Cap for FY ending 31 March 2022.

As at the date of this announcement, Success Path is owned as to 40% by Mr. Lee who is the chairman and an executive Director and therefore a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, Success Path is an associate of Mr. Lee and thus a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules. Therefore, the transactions contemplated under the Renewed Lease Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the terms of the lease under the 2019 Lease Agreement was entered into or completed within a 12-month period and the landlords under the Lease Agreements are the same, the transactions under the Lease Agreements are required to be aggregated pursuant to Rules 14A.81 to 14A.83 of the Listing Rules.

As Mr. Lee has a material interest in the transactions contemplated under the Renewed Lease Agreement, he has abstained from voting on the Board resolutions approving the Renewed Lease Agreement and the transaction contemplated thereunder. For good corporate governance, Mr. Lee Kun Lun Kenji (formerly known as Lee Tsz Kin Kenji) and Ms. Lee Yi Fang (formerly known as Lee Sin Ying), executive Directors and the son and a daughter of Mr. Lee respectively, have also abstained from voting on the relevant Board resolutions.

As the applicable Percentage Ratio in respect of the maximum amount of the Revised Annual Cap and the New Annual Cap is more than 0.1% but less than 5%, the transactions contemplated under the Lease Agreements (on an aggregate basis) are subject to the announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 17 April 2019. According to the aforesaid announcement, Success Path (as landlord) and Ever Million Rich (as tenant) entered into the 2019 Lease Agreement, pursuant to which Success Path agreed to lease the Hung To Road Premises to Ever Million Rich for a term of one year from 18 April 2019 to 17 April 2020 (both days inclusive).

The Board announces that as the 2019 Lease Agreement has expired on 17 April 2020, Success Path (as landlord) and Ever Million Rich (as tenant) have entered into the Renewed Lease Agreement on 20 April 2020 (after the securities trading hours of the Stock Exchange) in respect of the Hung To Road Premises for a further term of one year commencing on 18 April 2020 and ending on 17 April 2021 (both days inclusive). In view of the renewal under the Renewed Lease Agreement, it is necessary to revise and increase the Original Annual Cap for FY ending 31 March 2021 to the Revised Annual Cap and set the New Annual Cap for FY ending 31 March 2022.

## **PRINCIPAL TERMS OF THE RENEWED LEASE AGREEMENT**

Date:	20 April 2020
Parties:	(1) Success Path (as landlord) (2) Ever Million Rich (as tenant)
Premises:	Hung To Road Premises
Use:	Restaurant operation under the name of Tsui Wah Restaurant (翠華餐廳)
Term:	One year from 18 April 2020 to 17 April 2021 (both days inclusive) subject to the break clause set out below

Break Clause: Success Path shall have the right to serve three clear months' prior notice to Ever Million Rich to terminate the Renewed Lease Agreement

Rent: HK\$200,000 per month

Deposit: HK\$600,000 (equivalent to three months' rent)

### REVISED AND NEW ANNUAL CAPS

The following sets forth the Original Annual Cap, the Revised Annual Cap and the New Annual Cap:

	<b>Original Annual Cap amount for FY ending 31 March 2021 (from 1 April 2020 to 31 March 2021) HK\$</b>	<b>Revised Annual Cap amount for FY ending 31 March 2021 (from 1 April 2020 to 31 March 2021) HK\$</b>	<b>New Annual Cap amount for FY ending 31 March 2022 (from 1 April 2021 to 31 March 2022) HK\$</b>
The March 2018 Lease Agreements	15,504,000	15,504,000	—
The 2019 Lease Agreement	148,042	148,042	—
The Renewed Lease Agreement	<u>—</u>	<u>2,286,666</u>	<u>113,333</u>
Total	<u><u>15,652,042</u></u>	<u><u>17,938,708</u></u>	<u><u>113,333</u></u>

The Revised Annual Cap was determined based on the effective rent payable under the March 2018 Lease Agreement and the Lease Agreements for the period from 1 April 2020 to 31 March 2021 and the New Annual Cap was determined based on the effective rent payable under the Renewed Lease Agreement for the period from 1 April 2021 to 31 March 2022.

The payment of the rent under the Renewed Lease Agreement will be funded by internal resources of the Group.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED LEASE AGREEMENT

The Group has been carrying on its Cha Chaan Teng business in, amongst other places, the Hung To Road Premises for more than seven consecutive years. The entering into of the Renewed Lease Agreement by the Group will ensure that there will be no disruption to the Group's restaurant business in the Hung To Road Premises.

The terms of the Renewed Lease Agreement were negotiated on an arm's length basis by reference to the monthly rental value of HK\$206,000 (as at 7 April 2020) valued by an independent professional property valuer. The Directors believe that the Hung To Road

Premises are located in a prime location of Hong Kong, with easy transportation access, are of great convenience to the Group's customers and can further strengthen the branding and presence of the Group.

The Directors (including the INEDs but excluding Mr. Lee, Mr. Lee Kun Lun Kenji (formerly known as Lee Tsz Kin Kenji) and Ms. Lee Yi Fang (formerly known as Lee Sin Ying), who have abstained from voting on the relevant Board resolutions), are of the opinion that:

- (i) the terms of the Renewed Lease Agreement are on normal commercial terms which are fair and reasonable;
- (ii) the Revised Annual Cap and the New Annual Cap are fair and reasonable; and
- (iii) the continuing connected transactions contemplated under the Renewed Lease Agreement will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF PARTIES TO THE LEASE AGREEMENT**

### **The Group**

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of food catering services through restaurants and bakery shops in Hong Kong, Macau, the PRC and The Republic of Singapore. Ever Million Rich, an indirect wholly-owned subsidiary of the Company, is principally engaged in restaurant operation.

### **Success Path**

The principal business activity of Success Path is property investment. To the best of the Directors' information and belief, having made all reasonable enquires, as at the date of this announcement, the issued share capital of Success Path is owned as to 40% by Mr. Lee. Success Path is, therefore, an associate of Mr. Lee and a connected person of the Company under Chapter 14A of the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Success Path is owned as to 40% by Mr. Lee who is an executive Director and therefore a connected person of the Company pursuant to Rule 14A.07(1) of the Listing Rules. Accordingly, Success Path is an associate of Mr. Lee and thus a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules. Therefore, the transactions contemplated under the Renewed Lease Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that the terms of the lease under the 2019 Lease Agreement were entered into or completed within a 12-month period and the landlord under the Lease Agreements is the same, the transactions under the Lease Agreements are required to be aggregated pursuant to Rules 14A.81 to 14A.83 of the Listing Rules.

As Mr. Lee has a material interest in the transactions contemplated under the Renewed Lease Agreement, he has abstained from voting on the Board resolutions approving the Renewed Lease Agreement and the transactions contemplated thereunder. For good corporate governance, Mr. Lee, Mr. Lee Kun Lun Kenji (formerly known as Lee Tsz Kin Kenji) and Ms. Lee Yi Fang (formerly known as Lee Sin Ying), executive Directors and the son and a daughter of Mr. Lee respectively, have also abstained from voting on the relevant Board resolutions. Saved as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the Renewed Lease Agreement and has abstained from voting on the relevant Board resolutions.

As the applicable Percentage Ratios in respect of the maximum amount of the Revised Annual Cap and the New Annual Cap is more than 0.1% but less than 5%, the transactions contemplated under the Lease Agreements (on an aggregate basis) are subject to the announcement, reporting and annual review requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms/expressions have the following respective meanings:

“2019 Lease Agreement”	the lease agreement dated 17 April 2019 and entered into between Success Path and Ever Million Rich in respect of the Hung To Road Premises
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Cha Chaan Teng”	Hong Kong-style restaurants that serve Asian and Western cuisines in a casual environment
“Company”	Tsui Wah Holdings Limited (stock code: 1314), a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Ever Million Rich”	Ever Million Rich Limited (永萬富有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“FY”	financial year
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hung To Road Premises”	the premises located at G/F, 1/F and 2/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong
“INEDs”	independent non-executive Directors
“Lease Agreements”	the 2019 Lease Agreement and the Renewed Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“March 2018 Lease Agreements”	<p>(1) the lease agreement dated 22 March 2018 and entered into between Joy Express Limited (as landlord) and Ever Million Rich (as tenant) in respect of the premises located at ground floor and basement floor, Cheong K. Building, 84–86 Des Voeux Road Central, Hong Kong; and</p> <p>(2) the lease agreement dated 22 March 2018 and entered into between Champion Stage Limited (as landlord) and Ever Million Rich (as tenant) in respect of the premises located at shops 1, 2, 3 and 10 on Lower Ground Floor, Comfort Centre, No. 108 Old Main Street Aberdeen, No. 18, Yue Fai Road, Hong Kong</p>
“Mr. Lee”	Mr. Lee Yuen Hong, the chairman of the Board and an executive Director
“New Annual Cap”	the annual cap for FY ending 31 March 2022 in the sum of HK\$113,333 in respect of the Renewed Lease Agreement
“Original Annual Cap”	the annual cap for FY ending 31 March 2021 in the sum of HK\$15,652,042 in respect of the March 2018 Lease Agreements and the 2019 Lease Agreement as disclosed in the announcement of the Company dated 17 April 2019
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction under the Listing Rules
“PRC”	the People’s Republic of China and, for the purpose of this announcement, exclude Hong Kong, Macau and Taiwan

“Renewed Lease Agreement”	the lease agreement dated 20 April 2020 and entered into between Success Path and Ever Million Rich in respect of the Hung To Road Premises
“Revised Annual Cap”	the revised annual cap to the Original Annual Cap for FY ending 31 March 2021 in the sum of HK\$17,938,708 in respect of the March 2018 Lease Agreement and the Lease Agreements
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Success Path”	Success Path Limited (成路有限公司), a company incorporated in Hong Kong with limited liability and owned as to 40% by Mr. Lee
“%”	per cent

By order of the Board  
**Tsui Wah Holdings Limited**  
**Kwok Siu Man**  
*Company Secretary*

Hong Kong, 20 April 2020

*As at the date of this announcement, the Board comprises nine Directors: (a) Mr. Lee Yuen Hong (Chairman), Mr. Lee Kun Lun Kenji (formerly known as Lee Tsz Kin Kenji) (Group Chief Executive Officer) and Ms. Lee Yi Fang (formerly known as Lee Sin Ying) as executive Directors; (b) Mr. Cheng Chung Fan, Mr. Wong Chi Kin and Mr. Yang Dong John as non-executive Directors; and (c) Mr. Goh Choo Hwee, Mr. Tang Man Tsz and Mr. Yim Kwok Man as INEDs.*