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Tsui Wah Holdings Limited
翠華控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1314)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

HIGHLIGHTS

	For the six months ended 30 September		% Change Increase
	2012 (HK\$'000)	2011 (HK\$'000)	
Revenue	486,968	358,936	35.7
Hong Kong	401,495	314,282	27.7
Mainland China	80,432	42,090	91.1
Macau*	5,041	2,564	96.6
EBITDA	97,931	69,852	40.2
Profit attributable to owners of the Company	64,783	46,681	38.8
Basic earnings per share (HK cents)	6.48	4.67	38.8
Number of restaurants including jointly-controlled entities (As at 30 September)			
Hong Kong	20	16	
Mainland China	4	2	
Macau	1	1	

* Revenue from Macau represents revenue derived from the sale of food to a jointly-controlled entity of the Group.

INTERIM RESULTS

The board of directors (the “Board”) of Tsui Wah Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2012 together with comparative figures for the corresponding period in 2011. The interim financial information for the six months ended 30 September 2012 has not been audited, but has been reviewed by the Audit Committee of the Company.

Condensed consolidated income statement

For the six-month period ended 30 September 2012

		Six-month period ended 30 September	
	<i>Notes</i>	2012	2011
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
REVENUE	4	486,968	358,936
Other income and gains		1,356	1,572
Cost of inventories sold		(147,511)	(111,072)
Staff costs		(131,786)	(95,572)
Depreciation		(16,281)	(10,527)
Property rentals and related expenses		(63,228)	(45,473)
Fuel and utility expenses		(24,062)	(17,421)
Advertising and marketing expenses		(1,955)	(1,428)
Other operating expenses		(32,346)	(21,743)
Finance costs		(33)	(124)
Share of profits less losses of jointly-controlled entities		10,495	2,053
PROFIT BEFORE TAX		81,617	59,201
Income tax expense	5	(15,138)	(10,667)
PROFIT FOR THE PERIOD		66,479	48,534
Attributable to:			
Owners of the Company		64,783	46,681
Non-controlling interests		1,696	1,853
		66,479	48,534
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	7	HK6.48 cents	HK4.67 cents
Diluted	7	HK6.48 cents	HK4.67 cents

Condensed consolidated statement of comprehensive income

For the six-month period ended 30 September 2012

	Six-month period ended 30 September	
	2012	2011
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
PROFIT FOR THE PERIOD	66,479	48,534
Other comprehensive income, net of tax		
Exchange differences on translation of foreign operations	870	337
Total comprehensive income for the period	67,349	48,871
Attributable to:		
Owners of the Company	65,653	47,018
Non-controlling interests	1,696	1,853
	67,349	48,871

Condensed consolidated statement of financial position

As at 30 September 2012

		30 September	31 March
		2012	2012
	<i>Notes</i>	(Unaudited)	(Audited)
		HK\$'000	HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	88,862	87,221
Investments in jointly-controlled entities		27,610	17,204
Non-current rental deposits		25,670	19,614
Prepayments for purchases of items of property, plant and equipment		18,349	–
Deferred tax assets		6,201	5,824
		<hr/>	<hr/>
Total non-current assets		166,692	129,863
CURRENT ASSETS			
Inventories		12,198	9,384
Trade receivables	9	4,048	2,964
Prepayments, deposits and other receivables		50,636	33,183
Due from directors		–	99,395
Due from related companies		–	141,126
Cash and cash equivalents		126,030	92,082
Pledged time deposits		438	–
		<hr/>	<hr/>
Total current assets		193,350	378,134
CURRENT LIABILITIES			
Trade payables	10	50,801	38,923
Other payables and accruals		60,503	49,850
Interest-bearing bank and other borrowings		412	143
Due to directors		–	44,609
Due to related companies		–	78,906
Tax payable		21,373	14,059
		<hr/>	<hr/>
Total current liabilities		133,089	226,490
		<hr/>	<hr/>
NET CURRENT ASSETS		60,261	151,644
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		226,953	281,507
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		1,086	284
Deferred tax liabilities		586	435
		<hr/>	<hr/>
Total non-current liabilities		1,672	719
		<hr/>	<hr/>
Net assets		225,281	280,788
		<hr/>	<hr/>

		30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
EQUITY			
Equity attributable to owners of the Company			
Issued capital	<i>11</i>	2,000	–
Reserves		223,199	258,632
		<hr/>	<hr/>
		225,199	258,632
Non-controlling interests		82	22,156
		<hr/>	<hr/>
Total equity		225,281	280,788
		<hr/>	<hr/>

Condensed consolidated statement of changes in equity

For the six-month period ended 30 September 2012

		Attributable to owners of the Company						Non-controlling interests	Total equity
Notes	Issued capital	Statutory reserve	Merger reserve	Exchange fluctuation reserve	Retained profits	Total			
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	
	At 1 April 2012	–	2,893	(25,204)	335	280,608	22,156	280,788	
	Profit for the period	–	–	–	–	64,783	1,696	66,479	
	Other comprehensive income for the period:								
	Exchange differences on translation of foreign operations	–	–	–	870	–	870	870	
	Total comprehensive income for the period	–	–	–	870	64,783	1,696	67,349	
	Acquisition of non-controlling interests	–	–	(161)	–	–	(4,839)	(5,000)	
	Acquisition of non-controlling interests upon the completion of group reorganisation	–	–	17,532	–	–	(17,532)	–	
	Acquisition of non-controlling interests by deemed capital contribution from the controlling shareholders	–	–	1,399	–	–	(1,399)	–	
6	2013 interim dividend	–	–	–	–	(117,856)	–	(117,856)	
11	Issue of shares to the then equity holders	2,000	–	–	–	–	–	2,000	
	Considerations paid by the Company in respect of acquisition of Kang Wang and Cui Xiu	–	–	(2,000)	–	–	–	(2,000)	
	At 30 September 2012	2,000	2,893*	(8,434)*	1,205*	227,535*	82	225,281	
	At 1 April 2011	–	1,310	(14,351)	433	193,570	14,629	195,591	
	Profit for the period	–	–	–	–	46,681	1,853	48,534	
	Other comprehensive income for the period:								
	Exchange differences on translation of foreign operations	–	–	–	337	–	337	337	
	Total comprehensive income for the period	–	–	–	337	46,681	1,853	48,871	
	Dividend paid to the non-controlling shareholders	–	–	–	–	–	(167)	(167)	
6	2012 interim dividend	–	–	–	–	(10,213)	–	(10,213)	
	At 30 September 2011	–	1,310	(14,351)	770	230,038	16,315	234,082	

* These reserve accounts comprise the consolidated reserves of HK\$223,199,000 in the consolidated statements of financial position as at 30 September 2012 (31 March 2012: HK\$258,632,000).

Condensed consolidated statement of cash flows

For the six-month period ended 30 September 2012

	Six-month period ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	71,202	71,795
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(26,384)	(50,376)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(11,844)	(11,470)
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,974	9,949
Cash and cash equivalents at beginning of period	92,082	62,906
Effect of foreign exchange rate changes, net	974	423
CASH AND CASH EQUIVALENTS AT END OF PERIOD	126,030	73,278
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	125,894	73,278
Non-pledged time deposits with original maturity of less than three months when acquired	136	–
Cash and cash equivalents as stated in the consolidated statement of financial position	126,030	73,278

Notes to interim financial information

30 September 2012

1. Corporate information

The Company was incorporated as Tsui Wah Holdings Limited in the Cayman Islands on 29 May 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the period, the Group is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants in Hong Kong and the People's Republic of China (the "PRC" or "Mainland China").

2. Basis of preparation

The unaudited condensed consolidated interim financial information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standards 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those of the Group as set out in the accountants' report on the Group included in the prospectus of the Company dated 14 November 2012.

3. Operating segment information

The Group is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants. Information reported to the Group's management for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

The following table presents revenue from external customers for the six-month periods ended 30 September 2012 and 2011 and certain non-current asset information as at 30 September 2012 and 31 March 2012 by geographic area.

(a) Revenue from external customers

	Six-month period ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Hong Kong	401,495	314,282
Mainland China	80,432	42,090
Macau*	5,041	2,564
	<hr/>	<hr/>
	486,968	358,936

The revenue information above is based on the location of the customers.

As no revenue derived from sales to a single customer of the Group has individually accounted for over 10% of the Group's total revenue during the six-month periods ended 30 September 2012 and 2011, no information about major customers is presented.

* Revenue from external customers located in Macau represents revenue derived from the sale of food to a jointly-controlled entity of the Group.

3. Operating segment information *(Continued)*
Geographical information *(Continued)*
(b) Non-current assets

	As at 30 September 2012 (Unaudited) HK\$'000	As at 31 March 2012 (Audited) HK\$'000
Hong Kong	90,802	71,805
Mainland China	20,590	18,209
Macau	15,682	6,665
	127,074	96,679

The non-current asset information above is based on the location of the assets and excludes financial instruments and deferred tax assets.

4. Revenue

Revenue, which is also the Group's turnover, represents amounts received and receivable from the operation of restaurants and the sale of food, net of sales related taxes. An analysis of revenue is as follows:

	Six-month period ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Revenue		
Restaurant operations	476,955	352,724
Sale of food	10,013	6,212
	486,968	358,936

5. Income tax expense

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% during the six-month periods ended 30 September 2012 and 2011. Taxes on profits assessable elsewhere have been calculated at the rate of tax prevailing in the locations in which the Group operates.

Pursuant to the Corporate Income Tax Law (the "New PRC Tax Law") of the PRC being effective on 1 January 2008, the PRC corporate income tax rate of the Group's subsidiaries operated in Mainland China during the six-month periods ended 30 September 2012 and 2011 was 25% on their taxable profits.

5. Income tax expense *(Continued)*

The major components of the income tax expense for the six-month periods ended 30 September 2012 and 2011 are as follows:

	Six-month period ended 30 September	
	2012	2011
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Current — Hong Kong		
Charge for the period	10,934	8,368
Underprovision in prior years	36	—
Current — Elsewhere		
Charge for the period	4,394	2,269
Deferred tax	(226)	30
	<hr/>	<hr/>
Total tax charge for the period	15,138	10,667

6. Interim dividend

The dividends paid by the Company's subsidiaries to the then shareholders during the six-month periods ended 30 September 2012 and 2011 were as follows:

	Six-month period ended 30 September	
	2012	2011
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Interim dividend	117,856	10,213

No dividends have been declared by the Company during the six-month period ended 30 September 2012.

7. Earnings per share attributable to ordinary equity holders of the Company

The calculation of basic earnings per share for the period is based on the consolidated profit attributable to the equity holders of the parent of HK\$64,783,000 (six-month period ended 30 September 2011: HK\$46,681,000), and on the assumption that 1,000,000,000 (six-month period ended 30 September 2011: 1,000,000,000) ordinary shares have been in issue throughout the periods, comprising 200,000,000 issued ordinary shares of the Company upon completion of group reorganisation and 800,000,000 ordinary shares of the Company by capitalisation issue as further detailed in note 11 to the interim financial information.

No adjustment has been made to the basic earnings per share presented for the six-month periods ended 30 September 2012 and 2011 as the Group had no potentially diluted ordinary shares in issue during those periods.

8. Property, plant and equipment

During the period, the Group acquired property, plant and equipment of HK\$17,937,000 (six-month period ended 30 September 2011: HK\$23,580,000).

9. Trade receivables

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
Within 1 month	2,452	2,054
Over 1 month but less than 2 months	1,596	910
	<hr/> 4,048	<hr/> 2,964

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for well established, corporate customers for which the credit term is generally 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's jointly-controlled entities of HK\$1,938,000 and HK\$2,661,000 as at 31 March 2012 and 30 September 2012, respectively, which are repayable on similar credit terms to those offered to the major customers of the Group.

10. Trade payables

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
Within 1 month	27,879	21,360
Over 1 month but less than 2 months	22,922	17,563
	<hr/> 50,801	<hr/> 38,923

The trade payables are non-interest-bearing and generally have payment terms of 45 days.

Included in the Group's trade payables as at 30 September 2012 is a trade payable of HK\$856,000 (31 March 2012: Nil) due to the Group's jointly-controlled entity which is repayable on similar credit terms to those offered by the major suppliers of the Group.

11. Issued capital

There was no authorised and issued capital as at 31 March 2012 since the Company has not yet been incorporated. The following changes in the Company's issued share capital took place during the period from 29 May 2012 (date of incorporation) to 30 September 2012, and subsequent to the reporting period up to 30 November 2012.

	<i>Notes</i>	Number of ordinary shares of HK\$0.01 (Unaudited)	Nominal value of ordinary shares (Unaudited) HK\$'000
Authorised:			
On incorporation and as at 30 September 2012 and 30 November 2012	<i>(a)</i>	10,000,000,000	100,000
Issued and fully paid:			
On incorporation	<i>(b)</i>	1	–
Increase in issued share capital on 29 June 2012	<i>(c)</i>	199,999,999	2,000
As at 30 September 2012		200,000,000	2,000
Capitalisation issue credited as fully-paid conditional on the share premium account of the Company, being credited as a result of the issuance of new shares to the public			
	<i>(d)</i>	800,000,000	8,000
Issuance of new shares on 26 November 2012	<i>(e)</i>	333,334,000	3,333
As at 30 November 2012		1,333,334,000	13,333

Notes:

- (a) On incorporation of the Company on 29 May 2012, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each.
- (b) Pursuant to an ordinary resolution passed on 29 May 2012, 1 ordinary share of HK\$0.01 was allotted, issued and credited as fully paid to the Company's initial subscriber, and was subsequently transferred to Cui Fa Limited.
- (c) Pursuant to an ordinary resolution passed on 29 June 2012, a total of 199,999,999 ordinary shares of HK\$0.01 each were issued at par for cash to Cui Fa Limited, Ample Favour Limited, Victor Leap Limited, Macca Investment Limited and Mr. Chau Tit Wa.
- (d) Pursuant to a resolution passed on 5 November 2012, 800,000,000 shares of HK\$0.01 each were allotted and issued, credited as fully paid at par, by way of capitalisation from the share premium account to the holders of shares whose names appear on the register of members of the Company at the close of business on 2 November 2012 in proportion to their respective shareholdings. This allotment and capitalisation issue were conditional on the share premium account being credited as a result of the issue of new shares to the public in connection with the Company's initial public offering as detailed in note (e) below.
- (e) In connection with the Company's initial public offering, 333,334,000 shares of HK\$0.01 each were issued at a price of HK\$2.27 per share for a total cash consideration, before expenses, of approximately HK\$756,668,000. Dealings in the shares of the Company on the Stock Exchange commenced on 26 November 2012.

12. Operating lease commitments

The Group leases certain of its restaurants, office premises and warehouses under operating lease arrangements. Leases for these properties are negotiated for terms ranging from one to ten years.

As at the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
Within one year	64,414	73,985
In the second to fifth years, inclusive	111,752	90,616
Beyond five years	29,053	21,324
	<hr/> 205,219	<hr/> 185,925

In addition, the operating lease rentals for certain restaurants are based on the higher of a fixed rental and contingent rent based on the sales of these restaurants pursuant to the terms and conditions as set out in the respective rental agreements. As the future sales of these restaurants could not be reliably determined, the relevant contingent rent has not been included above and only the minimum lease commitments have been included in the above table.

13. Commitments

In addition to the operating lease commitments detailed in note 12 above, the Group had the following capital commitments at the end of the reporting period.

	30 September 2012 (Unaudited) HK\$'000	31 March 2012 (Audited) HK\$'000
Contracted, but not provided for leasehold improvements	6,185	5,222
Authorised, but not contracted for leasehold improvements	–	4,000
	<hr/> 6,185	<hr/> 9,222

14. Related party transactions

- (i) The Group had the following material transactions with related parties during the six-month periods ended 30 September 2012 and 2011:

	Six-month period ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Sale of food to jointly-controlled entities	9,037	5,154
Purchase of food from a jointly-controlled entity	359	636
Rental fee paid and payable to:		
Fame City International Limited	329	329
Success Path Limited	1,430	570
Champion Stage Limited	786	786
Joy Express Limited	4,800	4,800
Service fee charged by Quick Time Networking Limited	–	69
Purchase of property, plant and equipment from Quick Time Networking Limited	–	327

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The directors of the Company are of the opinion that those related party transactions were conducted in the ordinary course of business of the Group.

During the six-month period ended 30 September 2012, Quick Time Networking Limited licensed the point-of-sale system to the Group for free.

Unless otherwise stated, all of the above related parties are controlled by the executive directors of the Company, namely Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Wai Keung and Mr. Cheung Yue Pui.

- (ii) Compensation of key management personnel of the Group, including directors' remuneration, is as follows:

	Six-month period ended 30 September	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Short term employee benefits	5,214	3,020
Post-employment benefits	54	42

15. Contingent liability

As at 30 September 2012, the Group had a contingent liability of HK\$438,000 (31 March 2012: Nil) in respect of a bank guarantee given in favour of a landlord in lieu of rental deposit.

16. Events after the reporting period

In addition to the subsequent events detailed elsewhere in the interim financial information, the following significant events occurred after the reporting period:

- (a) On 5 November 2012, the Company adopted a pre-listing share option scheme (“Pre-IPO Share Option Scheme”), pursuant to which on 7 November 2012 the Company conditionally granted share options to subscribe for an aggregate of 100,000,200 shares in the Company to certain employees, executives and officers of the Group and a director of the Company.

The share options granted under the Pre-IPO Share Option Scheme shall become exercisable over the first to third anniversary date of the listing of the shares of the Company at an exercise price of HK\$2.27 per share. In particular, a condition to exercise the share option related to the meeting of the annual growth target of the Group’s consolidated profit after tax in the PRC was included in the share options granted to a director of the Company under the Pre-IPO Share Option Scheme. The share options under the Pre-IPO Share Option Scheme that are not exercised by the grantees prior to the third to fifth anniversary date of the listing of shares of the Company, shall lapse and be deemed as cancelled and void.

- (b) In October 2012, the Company declared a special dividend of HK\$53,474,000 to its then shareholders. Investors becoming shareholders of the Company after the listing of the Company’s shares on the Stock Exchange are not entitled to such dividend. Such dividend was not accounted for in the interim financial information during the period.

17. Approval of the interim financial information

This interim financial information was approved and authorised for issue by the Board on 30 November 2012.

CHAIRMAN STATEMENT

I am pleased to announce the Group's first interim results after its successful listing on the Stock Exchange on 26 November 2012. The Company is the first Cha Chaan Teng operator ever listed on the Stock Exchange.

Cha Chaan Tengs, originated from Hong Kong, signifies the hard-working, adaptive, and innovative spirits of Hong Kong people, who are also the driving force behind the "Tsui Wah" brand. Over the last two decades the Group has put in relentless efforts to provide Hong Kong customers with fast, quality, and pleasant Cha Chaan Teng dining experience. The Board believes that it is through these efforts that the "Tsui Wah" brand has established strong market recognition and support. The listing marks a special milestone in the Group's development history and opens up brand-new opportunities for the Group's future.

For the six-month period ended 30 September 2012, the Group continued its expansion efforts with the successful openings of a new restaurant in Hong Kong, a new restaurant in Shanghai, and a new restaurant in Wuhan. The Group is actively looking into suitable locations for establishing central kitchens in Shanghai and Hong Kong. In addition, the Group has been granted a number of significant awards in recognition of the Group's persistent focus on food and service quality and employee training effort.

OPERATION REVIEW

Hong Kong operations

The Group has opened a new restaurant under the "Tsui Wah" brand during the six-month period ended 30 September 2012. The Group has also commenced its catering service under a new brand "Supreme Catering". In addition, the Group has launched motorized delivery services at some of the Group's existing restaurants to enlarge the service areas of those restaurants. To cater for the expected opening of a number of new restaurants for the rest of the fiscal year 2013 and beyond, the Group is actively looking for a suitable location to establish the second central kitchen. In relation to the transfer of restaurant licenses regarding six of the Group's restaurants as disclosed in the Group's prospectus dated 14 November 2012 (the "Prospectus"), progress has been made in accordance with the plan stated in the Prospectus and the first transfer is expected to take place in the second half of the fiscal year 2013.

Mainland China operations

During the six-month period ended 30 September 2012, the Group opened a new restaurant in Wuhan and a new restaurant in Shanghai. Both restaurants had recorded successful results and had attracted wide media coverage in their respective locations. In addition, the Group has also identified a number of suitable locations for the establishment of a central kitchen in the suburb of Shanghai to support the Group's ever-expanding restaurant network in the Yangtze River Delta.

Macau operations

The Tsui Wah Restaurant in Macau, which is under a joint venture arrangement with our joint venture partner, had continued to achieve satisfactory results during the six-month period ended 30 September 2012.

Awards

During the six-month period ended 30 September 2012, the Group has been granted the following awards:

Date	Issuer of Award	Award
20 September	China Media Network — Organising Committee of Individual Visit Scheme	Most Popular Hong Kong & Macau Brands Award
20 September	China Media Network — Organising Committee of Individual Visit Scheme	PRC Customer's Most Favourite Brands
18 August	HK 5-S Association	5-S Certified Organisation
10 August	Metro Radio	U Choice Lifestyle Brand Award 2012 (Catering — Hong Kong Style Cha Chaan Teng)
18 July	Asia Pacific Hotel Association	Culinary Culture Exchange Base Among Mainland, Hong Kong And Taiwan
18 July	Asia Pacific Hotel Association	Asia Brand Restaurant
June	Shanghai Restaurants Cuisine Association	2012 Shanghai Famous Cuisine — Milk Tea & Crispy Bun served w/Sweet Condensed Milk
13 June	Quality Tourism Services Association	2012 Most Popular QTS Merchant Award (Online Voting) — Shop
22 May	King Of Catering Award	King Of Catering Award 2012
11 May	U Magazine	Favorite Food Awards 2012 — “My Most Favorite Cha Chaan Teng”
3 May	The Hong Kong Council of Social Service	The Caring Company 2011/12
24 April	Employees Retraining Board	ERB Manpower Developer Award Scheme — Manpower Developer
12 April	Mystery Shopper Service Association	Certificate of Smiling Enterprise

These awards are recognitions of the Group's operations and the efforts of our dedicated work force. The Board would like to congratulate all the staff who had involved in the operations that were subjects to such awards, and encourages all our staff members to continue their great efforts in bringing quality food and services to customers in the Greater China region.

Prospects

The Group has achieved significant growth and recognition in the Greater China Region during the six-month period ended 30 September 2012. Looking into the second half of the fiscal year 2013, the Group plans to open a number of new restaurants in Hong Kong and Shanghai. In particular, a new restaurant opened in early November in the departure hall of the Hong Kong International Airport.

In addition, the Group plans to set up a subsidiary in Guangzhou with a view to begin establishing its restaurant network in the Pearl River Delta. The Board is confident that the Group's relentless persistence in food quality, highly motivated work force, and solid business strategies will enable the Group to continue to grow for the foreseeable future.

FINANCIAL REVIEW

Revenue

The revenue of the Group's business for the six-month period ended 30 September 2012 was HK\$486.9 million, representing a 35.7% increase from the HK\$358.9 million of the same period of 2011. This was mainly due to the opening of new restaurants and the increase in revenue from existing restaurants.

As at 30 September 2012, the Group operated 20 restaurants in Hong Kong¹, four restaurants in the PRC, and one restaurant in Macau².

Cost of inventories sold

For each of the six-month period ended 30 September 2011 and 2012, our cost of inventories sold amounted to HK\$111.1 million and HK\$147.5 million respectively, representing 30.9% and 30.2% of the respective periods' revenues. The increase in cost of inventories sold was mainly due to the increase in sales activities of the Group's restaurant network.

Gross profit

Gross profit (Gross profit equals revenue minus cost of inventories sold) of the Group for the six-month period ended 30 September 2012 was HK\$339.4 million, representing an increase of 37.0% from HK\$247.8 million of the same period of 2011. The increase was mainly due to contributions from new shops and the increase in gross profits from existing shops.

Gross profit margin

The gross profit margins of the Group for each of the six-month period ended 30 September 2011 and 2012 remained stable at 69.0% and 69.7% respectively.

Staff costs

Our staff costs for each of the six-month period ended 30 September 2011 and 2012 were HK\$95.6 million and HK\$131.8 million respectively, representing 26.6% and 27.1% of the respective periods' revenues. The increase in overall staff costs was mainly due to the increase in number of staff of the Group.

Depreciation

For each of the six-month period ended 30 September 2011 and 2012, our depreciation accounted for 2.9% and 3.3% respectively of our revenues for the respective periods.

Property rentals and related expenses

Our property rentals and related expenses amounted to HK\$45.5 million and HK\$63.2 million respectively for each of the six-month period ended 30 September 2011 and 2012, representing 12.7% and 13.0% of the respective periods' revenues.

Fuel and utility expenses

For each of the six-month period ended 30 September 2011 and 2012, our fuel and utility expenses remained at 4.9% of revenues for the respective periods.

¹ Includes one restaurant in Hong Kong owned by one of our jointly-controlled entities.

² Includes one restaurant in Macau owned by one of our jointly-controlled entities.

Other operating expenses

Our other operating expenses amounted to HK\$21.7 million and HK\$32.3 million for each of the six-month period ended 30 September 2011 and 2012 respectively, representing 6.0% and 6.6% of our revenues for the respective periods.

Finance costs

Our finance costs amounted to HK\$124,000 for the six-month period ended 30 September 2011 and HK\$33,000 for the six-month period ended 30 September 2012.

Share of profits less losses of jointly-controlled entities

Share of profits less losses of jointly-controlled entities amounted to HK\$2.1 million for the six-month period ended 30 September 2011 and HK\$10.5 million for the six-month period ended 30 September 2012. The increase in 2012 was primarily due to the opening of our restaurant in Macau, which is owned and operated by one of our jointly-controlled entities, in May 2011.

Profits before tax

As a result of the foregoing, our profit before tax increased by HK\$22.4 million, or 37.9%, from HK\$59.2 million for the six-month period ended 30 September 2011 to HK\$81.6 million for the six-month period ended 30 September 2012.

Liquidity and financial resources

The Group finances its business with internally generated cash flows. At 30 September 2012, the Group had bank deposits and cash amounting to HK\$126.0 million (31 March 2012: HK\$92.1 million), representing an increase of 36.8% from 31 March 2012. Most bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

Foreign currency risk

The Group's sales and purchases for the six-month period ended 30 September 2012 were mostly denominated in Hong Kong dollars and Renminbi. The Renminbi is not a freely convertible currency. Future exchange rates of the Renminbi could vary significantly from the current or historical exchange rates as a result of the controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and the demand and supply of the Renminbi. The appreciation or devaluation of the Renminbi against Hong Kong dollars may have impact on the Group's results.

Human resources

As at 30th September, 2012, the Group (other than jointly-controlled entities) employed approximately 2,151 employees. Remuneration packages are generally structured by reference to market terms and individual qualifications and experience.

During the period, various training activities, such as training on operational safety, management skills as well as mentorship program, have been conducted to improve the front-end quality of services as well as to ensure the smooth and effective installation of the Group's business systems.

We have also instituted a Management Trainee Program to enhance the depth and breadth of our management staff for the purpose of their future career development.

OTHER INFORMATION

Dividends

The Board has resolved not to declare an interim dividend by the Company for the six-month period ended 30 September 2012.

Directors' interests and short positions in Shares and underlying Shares

As the Company was listed on the Stock Exchange on 26 November 2012, no disclosure of interests or short positions of any directors and/or chief executives of the Company in any shares of the Company (the "Shares"), underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as at 30 September 2012 is required to be made to the Company under the provisions of Divisions 7 and 8 of Part XV of the SFO.

As stated in the Prospectus, upon the Company's Listing on 26 November 2012, the interests and short positions of the directors or the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO) which require notification to the Company and the Stock Exchange pursuant to divisions 7 and 8 of part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 to the Rules Governing the Listing of Securities of the Stock Exchange ("Listing Rules") ("Model Code"), were as follows:

Name of Director	Nature of Interest	Number of Shares ⁽¹⁾	Approximate Shareholding Percentage in Our Company (%)
Mr. Lee Yuen Hong ("Mr. Lee")	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	70.35%
Mr. Ho Ting Chi ("Mr. Ho")	Interests held jointly with another person; interest in a controlled corporation ⁽²⁾	937,956,000 (L)	70.35%
Mr. Cheung Yu To ("Mr. YT Cheung")	Interests held jointly with another person; interest in a controlled corporation ⁽²⁾	937,956,000 (L)	70.35%
Mr. Cheung Wai Keung ("Mr. WK Cheung")	Interests held jointly with another person; interest in a controlled corporation ⁽²⁾	937,956,000 (L)	70.35%
Mr. Cheung Yue Pui ("Mr. YP Cheung")	Interests held jointly with another person; interest in a controlled corporation ⁽²⁾	937,956,000 (L)	70.35%

Note:

(1) The letter "L" denotes a director's "long position" in such Shares.

- (2) The Company is held as to approximately 59.18%, 6.41% and 4.76%, respectively, by Cui Fa Limited (“Cui Fa”), Ample Favour Limited (“Ample Favour”) and Victor Leap Limited (“Victor Leap”). Cui Fa is held as to approximately 48.19%, 37.35% and 14.46% by Mr. Lee, Mr. Ho and Mr. YT Cheung, respectively. Ample Favour is wholly-owned by Mr. WK Cheung and Victor Leap is wholly-owned by Mr. YP Cheung. Each of Mr. Lee, Mr. Ho, Mr. YT Cheung, Mr. WK Cheung and Mr. YP Cheung (the “Core Shareholders”) have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all Core Shareholders. Each of the Core Shareholders shall exercise their respective voting rights in the Company in the same way. Hence, each of the Core Shareholders is deemed to be interested in all the Shares held by the Core Shareholders in aggregate by virtue of the SFO.

Saved as disclosed above, as at the date of this announcement, none of the directors or chief executives had registered an interest or short position in any Share or underlying Shares of the Company that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified.

Substantial shareholders’ interests in Shares and underlying Shares

As the Company was listed on the Stock Exchange on 26 November 2012, no disclosure of interests or short positions in any Shares or underlying Shares of the substantial shareholders of the Company as at 30 September 2012 is required to be made to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As stated in the Prospectus, upon the Company’s Listing on 26 November 2012, so far as the directors are aware, without taking into account the Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme (as defined below), the following persons (other than a director or chief executive of the Company), who had interests or short positions in the Shares or the underlying Shares which are required to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or which will be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name of Shareholder	Nature of Interest	Number of Shares⁽¹⁾	Approximate Shareholding Percentage in Our Company (%)
Mr. Lee ⁽²⁾	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	70.35%
Ms. CHAN Choi Fung ⁽⁴⁾	Interest of spouse	937,956,000 (L)	70.35%
Mr. Ho ⁽²⁾	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	70.35%

Name of Shareholder	Nature of Interest	Number of Shares⁽¹⁾	Approximate Shareholding Percentage in Our Company (%)
Ms. TAI Ngan Har Talia ⁽⁵⁾	Interest of spouse	937,956,000 (L)	70.35%
Cui Fa ⁽³⁾	Beneficial owner	789,092,000 (L)	59.18%
Mr. YP Cheung ⁽²⁾	Interests held jointly with another person	937,956,000 (L)	70.35%
Ms. LAM Hiu Man ⁽⁶⁾	Interest of spouse	937,956,000 (L)	70.35%
Mr. YT Cheung ⁽²⁾	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	70.35%
Ms. WONG Yung Kuen ⁽⁷⁾	Interest of spouse	937,956,000 (L)	70.35%
Mr. WK Cheung ⁽²⁾	Interests held jointly with another person; interest in a controlled corporation	937,956,000 (L)	70.35%
Ms. WOO Chun Li ⁽⁸⁾	Interest of spouse	937,956,000 (L)	70.35%

Notes:

- (1) The letter ‘L’ denotes a person’s ‘long position’ in such Shares.
- (2) The Company is held as to approximately 59.18%, 6.41% and 4.76%, respectively, by Cui Fa, Ample Favour and Victor Leap. Cui Fa is held as to approximately 48.19%, 37.35% and 14.46% by Mr. Lee, Mr. Ho and Mr. YT Cheung, respectively. Ample Favour is wholly-owned by Mr. WK Cheung and Victor Leap is wholly-owned by Mr. YP Cheung. Each of Mr. Lee, Mr. Ho, Mr. YT Cheung, Mr. YP Cheung, and Mr. WK Cheung (the ‘Core Shareholders’) have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be in accordance with the unanimous consent of all Core Shareholders. Each of the Core Shareholders shall exercise their respective voting rights in the Company in the same way. Hence, each of the Core Shareholders is deemed to be interested in all the Shares held by the Core Shareholders in aggregate by virtue of the SFO.
- (3) Cui Fa is directly interested in approximately 59.18% in the Company.
- (4) Ms. CHAN Choi Fung is the spouse of Mr. Lee. Under the SFO, Ms. CHAN Choi Fung is taken to be interested in the same number of Shares in which Mr. Lee is interested.
- (5) Ms. TAI Ngan Har Talia is the spouse of Mr. Ho. Under the SFO, Ms. TAI Ngan Har Talia is taken to be interested in the same number of Shares in which Mr. Ho is interested.

- (6) Ms. LAM Hiu Man is the spouse of Mr. YP Cheung. Under the SFO, Ms. LAM Hiu Man is taken to be interested in the same number of Shares in which Mr. YP Cheung is interested.
- (7) Ms. WONG Yung Kuen is the spouse of Mr. YT Cheung. Under the SFO, Ms. WONG Yung Kuen is taken to be interested in the same number of Shares in which Mr. YT Cheung is interested.
- (8) Ms. WOO Chun Li is the spouse of Mr. WK Cheung. Under the SFO, Ms. WOO Chun Li is taken to be interested in the same number of Shares in which Mr. WK Cheung is interested.

Save as disclosed above, as at the date of this announcement, the directors are not aware of any other person (other than the directors or chief executive of the Company) who have the interests or short positions in any Shares or underlying Shares of the Company which would be required to be disclosed to the Company pursuant to Part XV of the SFO.

Share Option Scheme

The Company adopted a share option scheme (the “Share Option Scheme”) which became effective on 5 November 2012. The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants to (i) motivate the them to optimize their performance and efficiency for the benefit of our Group; and (ii) attract and retain or otherwise maintain ongoing business relationship with eligible participants whose contributions are, will or expected to be beneficial to our Group.

The Board may, at its absolute discretion, grant an option to eligible participant(s) to subscribe for the Shares of the Company at an exercise price and subject to the other terms of the Share Option Scheme. The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 133,334,000 Shares, being 10% of the total number of Shares in issue at the time dealings in the Shares first commence on the Stock Exchange.

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible participant under the Share Option Scheme and any other schemes of the Group (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue. The Share Option Scheme will remain in force for a period of ten years from its effective date. Subject to certain restrictions contained in the Share Option Scheme, an option may be exercised in accordance with the terms of the Share Option Scheme and the terms of grant thereof at any time during the applicable option period, which is not more than ten years from the date of grant of option. There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Share Option Scheme. However, at the time of granting any option, our Board may, on a case by case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the options to be held and/or the performance targets to be achieved as our Board may determine in its absolute discretion. The Directors confirm that the Share Option Scheme is in compliance with Chapter 17 of the Listing Rules. As at the date of this announcement, no option had been granted by the Company under the Share Option Scheme.

Pre-IPO Share Option Scheme

On 5 November 2012, the Company adopted a Pre-IPO Share Option Scheme, pursuant to which on 7 November 2012 the Company conditionally granted share options to subscribe for an aggregate of 100,000,200 Shares in the Company to certain employees, executives and officers of the Group and a director of the Company.

The share options granted under the Pre-IPO Share Option Scheme shall become exercisable over the first to third anniversary date of the listing of the shares of the Company at an exercise price of HK\$2.27 per share. In particular, a condition to exercise the share option related to the meeting of the annual growth target of the Group's consolidated profit after tax in the PRC was included in the share options granted to a director of the Company under the Pre-IPO Share Option Scheme. The share options under the Pre-IPO Share Option Scheme that are not exercised by the grantees prior to the third to fifth anniversary date of the listing of shares of the Company, shall lapse and be deemed as cancelled and void. As at the date of this announcement, none of the options granted under the Pre-IPO Share Option Scheme had been exercised by the grantees.

Use of proceeds from initial public offering

On 26 November 2012, the Company was successfully listed on the Main Board of the Stock Exchange. The initial public offering by way of international placing and Hong Kong public offering was welcomed by investors.

As stated in the Prospectus, the Group intends to use the proceeds for (i) opening new restaurants and delivery centers and launch of catering service in Hong Kong, (ii) opening new restaurants in China, (iii) construction of new central kitchens in Shanghai and Southern China, (iv) upgrading its information technology systems and (v) general working capital. As at the date of this announcement, the Group does not anticipate any change to the above use of proceeds.

Corporate governance

As the Shares were not yet listed on the Stock Exchange as at 30 September 2012, the Code on Corporate Governance (the "Code") as set out in Appendix 14 of the Listing Rules was not applicable to the Company for the reporting period. The Company has adopted the Code as its corporate governance code of practices upon listing on the Stock Exchange.

The Board is committed to maintaining high standard of corporate governance practices to safeguard the interests of the Company's shareholders and to enhance corporate value and accountability. These can be achieved by an effective Board, segregation of duties with clear responsibility, sound internal control, appropriate risk assessment procedures and transparency to all the shareholders.

The Company has complied with all the code provisions and, where applicable, the recommended best practices of the Code on Corporate Governance Practices as set forth in Appendix 14 of the Listing Rules since the listing of the Company.

Model Code of Securities Transactions by Directors

As the Shares were not yet listed on the Stock Exchange as at 30 September 2012, the Model Code for Securities Transactions by Directors (the "Model Code") as set out in Appendix 10 of the Listing Rules was not applicable to the Company for the reporting period. The Company has adopted a code of conduct (the "Code of Conduct") regarding directors' securities transactions on terms based on the required standard set out in the Model Code upon listing. Based on specific enquiry with the directors, all the directors have complied with the required standards as set out in the Code since the listing of the Company.

Audit Committee

The Company has established an audit committee ("Audit Committee") which currently consists of three independent non-executive directors of the Company with written terms of reference which deal clearly with its authority and duties. Amongst the committee's principal duties is to review and supervise the Company's financial reporting process and internal controls (including the review of the unaudited interim financial information for the six-month period ended 30 September 2012).

Purchase, sale or redemption of listed securities

As the Shares were not yet listed on the Stock Exchange as at 30 September 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the reporting period.

Publication of interim results and interim report

The electronic version of this announcement will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tsuiwah.com). The 2012 interim report of the Company containing all the information required by the Listing Rules will be dispatched to its shareholders and published on the above websites in due course.

Appreciation

The Board would like to thank the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business partners and associates, bankers and auditors for their support to the Group throughout the period.

By Order of the Board
Tsui Wah Holdings Limited
LEE Yuen Hong
Chairman

Hong Kong, 30 November 2012

As at the date of this announcement, the executive directors of the Company are Mr. LEE Yuen Hong, Mr. HO Ting Chi, Mr. CHEUNG Yu To, Mr. CHEUNG Wai Keung and Mr. CHEUNG Yue Pui; and the independent non-executive directors of the Company are Mr. GOH Choo Hwee, Mr. WONG Chi Kin and Mr. YIM Kwok Man.