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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)

**INSIDE INFORMATION
FORMAL SALE AND PURCHASE AGREEMENTS
IN RELATION TO THE
ACQUISITION OF LAND-USE RIGHT AND BUILDINGS**

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong. Reference is made to the announcement of the Company dated 24 September 2013.

The Board is pleased to announce that on 13 December 2013 (after trading hours), Shanghai He Fa Catering entered into SPA I and SPA II with the Vendor in relation to the Acquisition at the aggregate consideration of RMB30,000,000 (equivalent to approximately HK\$38,100,000).

As the completion of each of the SPA I and SPA II is subject to the fulfillment of the conditions precedent as stipulated therein, the transactions contemplated thereunder may or may not proceed. Shareholders and any potential investors are advised to take caution in dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 24 September 2013 in relation to the preliminary agreement entered into between TW Catering Management as a purchaser and the Vendor as a vendor regarding the proposed acquisition of the Land-use Right and Buildings by TW Catering Management or its associate.

INTRODUCTION

The Board is pleased to announce that on 13 December 2013 (after trading hours), Shanghai He Fa Catering entered into SPA I and SPA II with the Vendor in relation to the Acquisition at the aggregate consideration of RMB30,000,000 (the “**Consideration**”) (equivalent to approximately HK\$38,100,000).

As Building No. 1 and Building No. 3 were registered separately with the Shanghai Real Estate Trading Center, separate sale and purchase agreement has to be executed for the acquisition of each building situated and erected on the same piece of land. Hence, SPA I and SPA II have to be entered into for the Acquisition.

THE ACQUISITION

The principal terms of the SPA I are summarised as follows:

- Date** : 13 December 2013 (after trading hours)
- Parties** : (1) the Vendor
(2) Shanghai He Fa Catering (as purchaser)
- Assets to be acquired** : Land-use Right and Building No. 1
- Use of Land** : Industrial use
- Term of Land-use Right** : a term of 50 years, commencing from 13 September 2006, pursuant to the Shanghai Certificate of Real Estate Ownership
- Conditions Precedent** : the Acquisition is subject to the fulfillment of a number of conditions precedent as stipulated therein

Consideration and payment schedule:

The consideration for SPA I is RMB11,190,000 (equivalent to approximately HK\$14,211,300), of which the first installment of RMB7,460,000 (equivalent to approximately HK\$9,474,200) shall be payable in cash by Shanghai He Fa Catering within 5 Business Days following the fulfillment of the conditions precedent. Upon the receipt of the first installment by the Vendor, the Vendor shall refund the Earnest Money to the paying party of such money, Shanghai Cai Hua, within one Business Day. Whilst the remaining consideration of RMB3,730,000 (equivalent to approximately HK\$4,737,100) shall be payable by Shanghai He Fa Catering to the Vendor within one Business Day of the receipt of the Earnest Money by Shanghai Cai Hua.

The principal terms of the SPA II are summarised as follows:

- Date** : 13 December 2013 (after trading hours)
- Parties** : (1) the Vendor
(2) Shanghai He Fa Catering (as purchaser)
- Assets to be acquired** : Land-use Right and Building No. 3
- Use of Land** : Industrial use
- Term of Land-use Right** : a term of 50 years, commencing from 13 September 2006, pursuant to the Shanghai Certificate of Real Estate Ownership

Conditions Precedent : the Acquisition is subject to the fulfillment of a number of condition precedent as stipulated therein

Consideration and payment schedule:

The consideration for SPA II is RMB18,810,000 (equivalent to approximately HK\$23,888,700), of which the first installment of RMB12,540,000 (equivalent to approximately HK\$15,925,800) shall be payable in cash by Shanghai He Fa Catering within 5 Business Days following the fulfillment of the conditions precedent. Upon the receipt of the first installment by the Vendor, the Vendor shall refund the Earnest Money to the paying party of such money, Shanghai Cai Hua, within one Business Day. Whilst the remaining consideration of RMB6,270,000 (equivalent to approximately HK\$7,962,900) shall be payable by Shanghai He Fa Catering to the Vendor within one Business Day of the receipt of the Earnest Money by Shanghai Cai Hua.

The Consideration was arrived at after arm's length negotiations between the parties to the SPA I and SPA II after taking into account the market price of similar properties of similar size, character and location. The Consideration will be funded by the net proceeds received by the Group from the listing of Shares on the main board of the Stock Exchange.

INFORMATION ON THE GROUP

The Group is principally engaged in the operation of a chain of *Cha Chaan Teng* in Hong Kong, the PRC and Macau.

INFORMATION ON THE VENDOR

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor together with its ultimate beneficial owners, are independent of, and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board considered that the Acquisition will allow the Group to build and establish a larger central kitchen in Shanghai, the PRC on the Land for enhancing (i) the quality and standardization on food processing; (ii) operating efficiency; and (iii) supply chain management. In addition to the proposed construction and establishment of a central kitchen on the Land, the Group intends to use Building No. 1 as its office and staff quarters and will continue to lease out Building No. 3 to its existing tenant until the term of the lease expires.

The Board is of the view that the terms of the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

GENERAL

As the completion of each of the SPA I and SPA II is subject to the fulfillment of the conditions precedent as stipulated therein, the transactions contemplated thereunder may or may not proceed. Shareholders and any potential investors are advised to take caution in dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of Land-use Right and Buildings by Shanghai He Fa Catering pursuant to the SPA I and SPA II
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Buildings”	comprises of Building No. 1 (“ Building No. 1 ”) and Building No. 3 (“ Building No. 3 ”), completed and erected on the Land, together with any construction, facilities and equipment ancillary to and erected on the Land with the gross floor area of approximately 2,892.2 square meters and 4,857.19 square meters, respectively
“Business Day”	a day on which banks in the PRC are generally open for normal business
“ <i>Cha Chan Teng</i> ”	茶餐廳, Hong Kong-style restaurants that serve Asian and Western cuisine 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 on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Earnest Money”	the earnest money of RMB17,000,000 paid by Shanghai Cai Hua to the Vendor pursuant to the Preliminary Agreement
“Formal Sale and Purchase Agreements”	SPA I and SPA II
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Land”	the parcel of land with the land area of approximately 13,068.10 square meters, located at No. 518, Shuhai Road, Songjiang District, Shanghai, the PRC* (中國上海松江區書海路 518號)
“Land-use Right”	the land-use right in respect of the Land for a term of 50 years, commencing from 13 September 2006 pursuant to the Shanghai Certificate of Real Estate Ownership (上海市房地產權證)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Preliminary Agreement”	the Chinese preliminary agreement entered into between TW Catering Management as a purchaser and the Vendor as a vendor on 24 September 2013 regarding the proposed acquisition of the Land-use Right and Buildings by TW Catering Management or its associate subject to the terms and conditions as stipulated therein
“PRC”	the People’s Republic of China but for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Cai Hua”	Shanghai Cai Hua Restaurants Management Company Limited* (上海采華餐飲管理有限公司), a company established in the PRC on 27 April 2009 and an indirect wholly-owned subsidiary of the Company
“Shanghai Certificate of Real Estate Ownership”	Shanghai Certificate of Real Estate Ownership (上海市房地產權證)
“Shanghai He Fa Catering”	Shanghai He Fa Catering Company Limited* (上海合發餐飲有限公司), a company established in the PRC with limited liability on 27 November 2013 and a wholly-owned subsidiary of TW Catering Management
“Shanghai Real Estate Trading Center”	Shanghai Real Estate Trading Center* (上海房地產交易中心)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“SPA I”	the formal sale and purchase agreement entered into between Shanghai He Fa Catering and the Vendor on 13 December 2013 for the acquisition of Land-use Right and Building No. 1
“SPA II”	the formal sale and purchase agreement entered into between Shanghai He Fa Catering and the Vendor on 13 December 2013 for the acquisition of Land-use Right and Building No. 3
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TW Catering Management”	Tsui Wah Catering Management Limited (翠華餐飲管理有限公司), formerly known as Tsui Wah Group Holdings Limited (翠華集團控股有限公司), a company incorporated in Hong Kong with limited liability on 29 December 2006 which is an indirect wholly-owned subsidiary of the Company
“Vendor”	上海索普機械有限公司, a company established in the PRC, which is the legal and beneficial owner of the Land-use Right and Buildings
“%”	per cent

For illustrative purpose only, amount denominated in RMB have been translated into HK\$ at the rate of RMB1.00 = HK\$1.27 in this announcement. No representation is made that any amount in RMB or HK\$ has been, could have been or could be converted at the above rate or any other.

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

Hong Kong, 13 December 2013

As at the date of this announcement, our executive Directors are Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Wai Keung and Mr. Cheung Yue Pui and our independent non-executive Directors are Mr. Goh Choo Hwee, Mr. Wong Chi Kin and Mr. Yim Kwok Man.

“*” is for identification purpose only.