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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
PRELIMINARY AGREEMENT FOR THE CONSTRUCTION WORKS**

This announcement is made pursuant to Rule 13.09(2)(a) 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 announcements of the Company dated 24 September 2013, 13 December 2013 and 3 January 2014.

Following the Acquisition, the Board is pleased to announce that on 9 January 2014 (after trading hours), Shanghai He Fa Catering, entered into the Preliminary Agreement with the Contractor in relation to the Construction Works and the payment of the Earnest Money.

The transaction(s) as contemplated under the Construction Agreement, if materialised, may constitute notifiable transaction(s) of the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules.

As the Construction Works contemplated under the Preliminary Agreement is subject to the execution of the Construction Agreement, the Construction Works may or may not proceed. Shareholders and any potential investors are advised to take caution in dealing in the securities of the Company.

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INTRODUCTION

Following the Acquisition, the Board is pleased to announce that on 9 January 2014 (after trading hours), Shanghai He Fa Catering, entered into the Preliminary Agreement with the Contractor in relation to the Construction Works and the payment of the earnest money of RMB5,000,000 (equivalent to approximately HK\$6,350,000 (the “**Earnest Money**”)).

PRINCIPAL TERMS OF THE PRELIMINARY AGREEMENT

The principal terms of the Preliminary Agreement are initialized as follows:

Date: 9 January 2014 (after trading hours)

Parties: (1) Shanghai He Fa Catering
(2) the Contractor

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Earnest Money:

Subject to the fulfillment of the existing foreign exchange control laws and regulations of the PRC and the drawdown requirements of the bank, the Earnest Money shall be payable by Shanghai He Fa Catering to the Contractor within 5 days after the signing of the Preliminary Agreement. The Earnest Money will be funded by the net proceeds received by the Group from the listing of shares on the main board of the Stock Exchange on 26 November 2012.

Subject to the signing of the Construction Agreement, the Earnest Money shall be applied as part payment of the consideration for the Construction Works.

If the Contractor fails to take up the Construction Works, Shanghai He Fa Catering shall have the unilateral right to terminate the Preliminary Agreement. Upon such termination, and subject to the negotiation between the parties and the provision of supporting documents by the Contractor, Shanghai He Fa Catering agrees to pay any costs reasonably incurred (up to the date of termination) in relation to the preparatory work for the Construction Works.

Construction Agreement:

Subject to the negotiation and entering into the Construction Agreement between Shanghai He Fa Catering and the Contractor, detailed terms including, but not limited to, the consideration for the Construction Works, the delivery standard, construction area and payment schedule will be finalized.

Other terms:

Pursuant to the Preliminary Agreement, the Contractor agrees to undertake some preparatory work (such as site preparation, construction of temporary facilities and sourcing of building materials) for the Construction Works in accordance with industry standards. The Contractor bears the liability arising out of or in connection with the Construction Works and guarantees that all the Construction Works to be carried out shall comply with the safety standards and other relevant regulations.

Termination:

The Preliminary Agreement will be terminated (i) by either party in accordance with the terms of the Preliminary Agreement or (ii) upon signing of the Construction Agreement.

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 CONTRACTOR

The Contractor is principally engaged in the business of construction and property development in the PRC.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Contractor 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 ENTERING INTO THE PRELIMINARY AGREEMENT

The Board considered that through entering into the Preliminary Agreement, it will allow the Group to build and establish a larger central kitchen in Shanghai, PRC for enhancing (i) the quality and standardization on food processing; (ii) operating efficiency; and (iii) supply chain management.

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

GENERAL

The transaction(s) as contemplated under the Construction Agreement, if materialised, may constitute notifiable transaction(s) of the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules.

As the Construction Works contemplated under the Preliminary Agreement is subject to the execution of the Construction Agreement, the Construction Works 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:

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| “Acquisition” | the acquisition of Land-use Right and Buildings by Shanghai He Fa Catering |
| “associate(s)” | has the meaning ascribed to this term under the Listing Rules |
| “Board” | the board of Directors |
| “Buildings” | comprises of Building No. 1 and 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 |
| “ <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 |
| “Construction Agreement” | the construction agreement to be entered into between Shanghai He Fa Catering and the Contractor for the construction of a central kitchen on the Land |
| “Construction Works” | construction and expansion of a central kitchen on the Land with an estimated construction area of 10,000 square meters |
| “Contractor” | Shanghai Shanyan Construction Company Limited* (上海杉欣建築工程有限公司) |
| “Director(s)” | the director(s) of the Company |
| “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 |

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| “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 |
| “PRC” | the People’s Republic of China but for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan |
| “Preliminary Agreement” | the preliminary agreement made between the Shanghai He Fa Catering and the Contractor regarding the proposed Construction Works on 9 January 2014 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “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 an indirectly wholly-owned subsidiary of the Company |
| “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) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

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, 9 January 2014

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.*