

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Tsui Wah Holdings Limited

翠華控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1314)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS LEASE AGREEMENTS

Reference is made to the Prospectus of the Company in relation to the Existing Lease Agreements and the announcement of the Company dated 26 September 2014 in relation to the Hart Avenue Lease Agreement.

The Board announces that on 27 March 2015, the following Lease Agreements have been entered into between the Group and its connected persons to renew the Existing Lease Agreements:

- (i) Joy Express and Tsui Wah Catering entered into the Lease Agreement A in respect of the Des Voeux Road Central Premises for a period commencing from 1 April 2015 to 31 March 2018;
- (ii) Champion Stage and Royal Gold entered into the Lease Agreement B in respect of the Aberdeen Premises for a period commencing from 1 April 2015 to 31 March 2018;
- (iii) Success Path and Richberg Development entered into the Lease Agreement C in respect of the Hung To Road Premises for a period commencing from 1 April 2015 to 31 March 2018; and
- (iv) Success Path and Tsui Wah Efford entered into the Lease Agreement D in respect of the Office Premises for a period commencing from 1 April 2015 to 30 September 2015.

As at the date of this announcement, (i) the issued share capital of Joy Express is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively; (ii) the issued share capital of Champion Stage is owned as to 50%, 37.5% and 12.5% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively; and (iii) the issued share capital of Success Path is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively. Accordingly, each of Joy Express, Champion Stage and Success Path is an associate of the connected persons of the Group. Therefore, the transactions as contemplated under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given the Hart Avenue Lease Agreement was entered into the Group within a 12-month period and the landlord under the Hart Avenue Lease Agreement is connected with the landlords under the Lease Agreements, the transactions under the Lease Agreements are required to be aggregated with the transaction under the Hart Avenue Lease Agreement pursuant to Rules 14.22 and 14.23 of the Listing Rules.

As Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung have material interests in the transactions contemplated under the Lease Agreements, they have abstained from voting on the Board resolutions for approving the Lease Agreements and the transactions contemplated thereunder.

As the applicable percentage ratios with respect to the largest Annual Caps are more than 0.1% and less than 5%, the transactions as contemplated under the Lease Agreements are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

INTRODUCTION

Reference is made to the Prospectus of the Company in relation to the Existing Lease Agreements and the announcement of the Company dated 26 September 2014 in relation to the Hart Avenue Lease Agreement.

As the Existing Lease Agreements in respect of the Des Voeux Road Central Premises, the Aberdeen Premises, the Hung To Road Premises and the Office Premises will expire on 31 March 2015, the Group has entered into the Lease Agreements to renew the leases for the said properties.

The principal terms of the Lease Agreements are set out below:

LEASE AGREEMENT A

Date : 27 March 2015

Parties : (1) Joy Express (as landlord)
(2) Tsui Wah Catering (as tenant)

Leased premises : Des Voeux Road Central Premises

Usage : The Des Voeux Road Central Premises will be used for restaurant operation under the name of “Tsui Wah Restaurant” (翠華餐廳)

Term : The period commencing from 1 April 2015 to 31 March 2018

Rent : HK\$13,980,000 per year (HK\$1,165,000 per month)

Deposit : HK\$3,495,000 (representing three months’ rent)

LEASE AGREEMENT B

Date : 27 March 2015

Parties : (1) Champion Stage (as landlord)
(2) Royal Gold (as tenant)

Leased premises : Aberdeen Premises

Usage : The Aberdeen Premises will be used for restaurant operation under the name of “Tsui Wah Restaurant (翠華餐廳)”

Term : The period commencing from 1 April 2015 to 31 March 2018

Rent : HK\$2,340,000 per year (HK\$195,000 per month)

Deposit : HK\$585,000 (representing three months’ rent)

LEASE AGREEMENT C

- Date** : 27 March 2015
- Parties** : (1) Success Path (as landlord)
(2) Richberg Development (as tenant)
- Leased premises** : Hung To Road Premises
- Usage** : The Hung To Road Premises will be used for restaurant operation under the name of “Tsui Wah Restaurant (翠華餐廳)” and a food preparation facility
- Term** : The period commencing from 1 April 2015 to 31 March 2018
- Rent** : HK\$3,300,000 per year (HK\$275,000 per month)
- Deposit** : HK\$825,000 (representing three months’ rent)

LEASE AGREEMENT D

- Date** : 27 March 2015
- Parties** : (1) Success Path (as landlord)
(2) Tsui Wah Efford (as tenant)
- Leased premises** : Office Premises
- Usage** : The Office Premises will be used for as an office of the Group
- Term** : The period commencing from 1 April 2015 to 30 September 2015
- Rent** : HK\$750,000 per six months (HK\$125,000 per month)
- Deposit** : HK\$375,000 (representing three months’ rent)

PROPOSED ANNUAL CAPS OF THE LEASE AGREEMENTS

The following sets forth the Annual Caps:

	Annual Caps		
	For financial year ending 2016 (from 1 April 2015 to 31 March 2016)	For financial year ending 2017 (from 1 April 2016 to 31 March 2017)	For financial year ending 2018 (from 1 April 2017 to 31 March 2018)
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Lease Agreement A	13,980,000	13,980,000	13,980,000
Lease Agreement B	2,340,000	2,340,000	2,340,000
Lease Agreement C	3,300,000	3,300,000	3,300,000
Lease Agreement D	750,000	—	—
Hart Avenue Lease Agreement	<u>3,636,000</u>	<u>3,636,000</u>	<u>1,955,000</u>
Total	<u><u>24,006,000</u></u>	<u><u>23,256,000</u></u>	<u><u>21,575,200</u></u>

The Annual Caps are determined after taking into account (i) the market rent of the Premises according to the valuation reports issued by three independent property valuers; and (ii) various conditions of the Premises, including but not limited to the location of the Premises as well as the facilities and management services associated with the buildings.

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

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENTS

The terms of the Lease Agreements were negotiated on an arm's length negotiations with reference to the prevailing market rent for comparable premises in the vicinity. The Directors believe that the Premises are located in the prime location of the Hong Kong, with easy transportation access and are of great convenience to our customers and can further strengthen the branding and presence of the Group.

The Directors (including the independent non-executive Directors) are of the view that:

- (i) the terms of the Lease Agreements are on normal commercial terms that are fair and reasonable;
- (ii) the Annual Caps are fair and reasonable; and
- (iii) the continuing connected transactions contemplated under the Lease Agreements are and 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 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.

Richberg Development, being an indirect wholly-owned subsidiary of the Company, is principally engaged in restaurant operation.

Royal Gold, being an indirect wholly-owned subsidiary of the Company, is principally engaged in restaurant operation.

Tsui Wah Efford, being an indirect wholly-owned subsidiary of the Company, is principally engaged in management services.

INFORMATION ON JOY EXPRESS

The principal business activity of Joy Express is property investment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the issued share capital of Joy Express is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively, all of whom are the Directors, and Joy Express is therefore an associate of a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction as contemplated under the Lease Agreement A constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

INFORMATION ON CHAMPION STAGE

The principal business activity of Champion Stage is property investment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the issued share capital of Champion Stage is owned as to 50%, 37.5% and 12.5% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively, all of whom are the Directors, and it is therefore an associate of a connected person of the Company under Chapter 14A of the Listing Rules.

INFORMATION ON SUCCESS PATH

The principal business activity of Success Path is property investment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the issued share capital of Success Path is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively, all of whom are the Directors, and it is therefore an associate of a connected person of the Company under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, (i) the issued share capital of Joy Express is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively; (ii) the issued share capital of Champion Stage is owned as to 50%, 37.5% and 12.5% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively; and (iii) the issued share capital of Success Path is owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively. Accordingly, each of Joy Express, Champion Stage and Success Path is an associate of the connected persons of the Group. Therefore, the transactions as contemplated under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given the Hart Avenue Lease Agreement was entered into the Group within a 12-month period and the landlord under the Hart Avenue Lease Agreement is connected with the landlords under the Lease Agreements, the transactions under the Lease Agreements are required to be aggregated with the transaction under the Hart Avenue Lease Agreement pursuant to Rule 14.22 and 14.23 of the Listing Rules.

As Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung have material interests in the transactions contemplated under the Lease Agreements, they have abstained from voting on the Board resolutions for approving the Lease Agreements and the transactions contemplated thereunder.

As the applicable percentage ratios with respect to the largest Annual Caps are more than 0.1% and less than 5%, the transactions as contemplated under the Lease Agreements are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

DEFINITIONS

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

“Aberdeen Premises”	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
“Annual Caps”	the proposed annual caps for the continuing connected transaction contemplated under the Lease Agreements
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of directors of the Company
“ <i>Cha Chaan Teng</i> ”	茶餐廳, Hong Kong-style restaurants that serve Asian and Western cuisine in a casual environment

“Champion Stage”	Champion Stage Limited (鼎鴻有限公司), a company incorporated in Hong Kong with limited liability and owned as to 50%, 37.5% and 12.5% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Des Voeux Road Central Premises”	the premises located at ground floor and basement floor, Cheong K. Building, 84–86 Des Voeux Road Central, Hong Kong
“Director(s)”	the director(s) of the Company
“Existing Lease Agreements”	the lease agreements dated 5 November 2012 and entered into between the Group and Joy Express, Champion Stage and Success Path in respect of the leasing of the Des Voeux Road Central Premises, the Aberdeen Premises, the Hung To Road Premises and the Office Premises
“Group”	the Company and its subsidiaries
“Hart Avenue Lease Agreement”	the lease agreement dated 26 September 2014 and entered into between Cheermax Limited, a company wholly owned by the spouse of Mr. Lee Yuen Hong, and Excellent Limited, an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Joy Express”	Joy Express Limited (駿傑有限公司), a company incorporated in Hong Kong with limited liability and owned as to 40%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung, respectively
“Lease Agreement A”	the lease agreement dated 27 March 2015 and entered into between Joy Express and Tsui Wah Catering in respect of the Des Voeux Road Central Premises

“Lease Agreement B”	the lease agreement dated 27 March 2015 and entered into between Champion Stage and Royal Gold in respect of the Aberdeen Premises
“Lease Agreement C”	the lease agreement dated 27 March 2015 and entered into between Success Path and Richberg Development in respect of the Hung To Road Premises
“Lease Agreement D”	the lease agreement dated 27 March 2015 and entered into between Success Path and Tsui Wah Efford in respect of the Office Premises
“Lease Agreements”	Lease Agreement A, Lease Agreement B, Lease Agreement C and Lease Agreement D
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Office Premises”	the premises located at 3/F, 5/F and 6/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong
“PRC”	the People’s Republic of China but for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“Premises”	Des Voeux Road Premises, Aberdeen Premises, Hung To Road Premises and Office Premises
“Prospectus”	the prospectus of the Company dated 14 November 2012
“Richberg Development”	Richberg Development Limited (智庫發展有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Royal Gold”	Royal Gold International Limited (皇金國際有限公司), a company incorporated in Hong Kong and an indirect 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
“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%, 30%, 10%, 10% and 10% by Mr. Lee Yuen Hong, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Yue Pui and Mr. Cheung Wai Keung

“Tsui Wah Catering”	Tsui Wah Catering Limited (翠華飲食有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Tsui Wah Efford”	Tsui Wah Efford Management Limited (翠華怡富管理有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 27 March 2015

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