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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)

CONTINUING CONNECTED TRANSACTION SUPPLEMENTAL LEASE AGREEMENT

Reference is made to the announcement of the Company dated 26 September 2014 (the “**Announcement**”) in relation to the leasing of the Premises under the Lease Agreement. Unless otherwise stated, definitions used in the Announcement shall have the same meanings when used in this announcement.

Subsequent to the Lease Agreement, a supplemental letter was entered into between Cheermax and Excellent Lead on 21 October 2014 (“**Supplemental Letter**”) as a result of the postponement of the delivery of vacant possession of the Premises to Excellent Lead for 15 days. Pursuant to the Supplemental Letter, (i) the commencement date and the expiry date of the Lease Agreement was postponed for 15 days, and shall commence on 30 October 2014 and expire on 29 October 2017 instead; and (ii) the notice period for a further lease term of 3 years, the commencement date and expiry date of the further lease term and other relevant dates shall be respectively postponed for 15 days.

THE SUPPLEMENTAL LEASE AGREEMENT

The Board announces that on 26 August 2015 (after trading hours), Cheermax as the landlord and Excellent Lead as the tenant entered into a supplemental lease agreement in relation to the leasing of the Premises (“**Supplemental Lease Agreement**”). As disclosed in the Announcement, the calendar monthly rent under the Lease Agreement was HK\$303,000. Pursuant to the Supplemental Lease Agreement, with effect from 1 September 2015 to 31 August 2016 (“**Period of Reduced Rent**”), the calendar monthly rent shall be HK\$203,000. After the Period of Reduced Rent, Cheermax shall have the right to adjust the calendar monthly rent, however, such calendar monthly rent shall not exceed the original calendar monthly rent of HK\$303,000. Save for the above amendments and minor revisions pursuant to the Supplemental Letter, all other terms and conditions of the Lease Agreement, including but not limited to the Annual Caps, shall remain unchanged and the Lease Agreement shall continue in full force and effect and shall not be affected in any respect.

REASONS AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL LEASE AGREEMENT

The Directors consider that the Supplemental Lease Agreement is favourable for the Group to rent the Premises at a reduced rent for the operation of restaurant in prime location of Tsim Sha Tsui district.

The terms of the Supplemental Lease Agreement were determined after negotiations between the parties thereto and on normal commercial terms. The Directors (including the independent non-executive Directors) consider that:

- (a) the terms of the Supplemental Lease Agreement are fair and reasonable;
- (b) the Supplemental Lease Agreement is entered in the ordinary and usual course of business of the Group and on normal commercial terms; and
- (c) the entering into the Supplemental Lease Agreement is in the interest 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 Special Administrative Region of the PRC.

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

INFORMATION ON CHEERMAX

The principal business activity of Cheermax is investment holding.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the entire issued share capital of Cheermax is owned by Mrs. Lee, the spouse of Mr. Lee. Accordingly, Cheermax is an associate of Mr. Lee and is therefore a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules, and the transaction under the Lease Agreement as amended by the Supplemental Lease Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

GENERAL

As Mr. Lee (being the spouse of Mrs. Lee) has a material interest in the transaction contemplated under the Supplemental Lease Agreement, Mr. Lee has abstained from voting on the board resolutions approving the Supplemental Lease Agreement and the transaction contemplated thereunder. Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Wai Keung and Mr. Cheung Yue Pui, who are concert parties with Mr. Lee under the Acting in Concert Confirmation, also abstained from voting on the board resolutions approving the Supplemental Lease Agreement.

Since the applicable percentage ratios with respect to the largest Annual Caps are more than 0.1% and less than 5%, the transaction under the Lease Agreement as amended by the Supplemental Lease Agreement is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

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

Hong Kong, 26 August 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.