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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)

TERMINATION OF CONTINUING CONNECTED TRANSACTION

Reference is made to the announcements of the Company dated 26 September 2014 and 26 August 2015, respectively, in relation to the Lease Agreement.

The Board announces that on 22 June 2016 (after trading hours), Excellent Lead, being an indirect wholly-owned subsidiary of the Company, has entered into the Termination Agreement with Cheermax to terminate the Lease Agreement for leasing the Hart Avenue Premises.

As the continuing connected transaction under the Lease Agreement was terminated, the Company is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated 26 September 2014 and 26 August 2015, respectively, in relation to the Lease Agreement. As disclosed in the aforesaid announcements, Cheermax entered into the Lease Agreement with Excellent Lead, pursuant to which Cheermax agreed to the leasing of the Hart Avenue Premises to Excellent Lead for a term commencing from 30 October 2014 to 29 October 2017.

TERMINATION AGREEMENT

On 22 June 2016, Excellent Lead, being an indirect wholly-owned subsidiary of the Company, has entered into the Termination Agreement with Cheermax to terminate the Lease Agreement with effect from the Termination Date. Pursuant to the Termination Agreement, inter alia, (i) Excellent Lead shall surrender and deliver up vacant possession of the Hart Avenue Premises to Cheermax on the Termination Date; (ii) Excellent Lead will be discharged from its payment and obligations under the Lease Agreement upon termination;

and (iii) other than the rent, management fee and government rates up to 30 September 2016, neither party is required to pay any penalty or compensation to the other party in respect of the termination of the Lease Agreement.

REASONS FOR ENTERING INTO THE TERMINATION AGREEMENT

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

The Hart Avenue Premises was used by the Group for restaurant operation under the name of Tsui Wah Restaurant (翠華餐廳). Excellent Lead entered into the Termination Agreement as a result of the prolonged recovery of capital expenditure of this restaurant due to recent deterioration in Hong Kong's retail industry and a decrease in the number of tourists from Mainland China. The Board believes that entering into the Termination Agreement will not cause any material adverse impact on the Group's business and operational activities.

The Directors (including the independent non-executive Directors) are of the view that the Termination Agreement is entered into in the ordinary and usual course of business of the Company and the terms of the Termination Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the continuing connected transaction under the Lease Agreement was terminated, the Company is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

GENERAL

Cheermax, the landlord of the Hart Avenue Premises, is wholly owned by Mrs. 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. Accordingly, Mr. Lee has a material interest in the transaction contemplated under the Termination Agreement and Mr. Lee has abstained from voting on the board resolutions approving the Termination Agreement. In addition, Mr. Ho Ting Chi, Mr. Cheung Yu To 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 Termination Agreement.

DEFINITIONS

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

“Acting in Concert Confirmation”	a deed of confirmation dated 5 November 2012 executed by Mr. Lee, Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Wai Keung and Mr. Cheung Yue Pui, whereby they confirmed the existence of their acting in concert arrangements
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“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors of the Company
“Cheermax”	Cheermax Limited (喜慶有限公司), a company incorporated in Hong Kong with limited liability and wholly owned by Mrs. Lee
“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
“Director(s)”	the director(s) of the Company
“Excellent Lead”	Excellent Lead Limited (優領有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hart Avenue Premises”	Shops A and B on the ground floor including Yard A thereof and offices A, B, C, D, E, F, G and H on the first floor including the flat roof appurtenant thereto of Hart Avenue Court, Nos. 19–23 Hart Avenue, Kowloon, Hong Kong
“Lease Agreement”	the lease agreement dated 26 September 2014 entered into between Cheermax and Excellent Lead and as amended by the supplemental letter dated 21 October 2014 and supplemental lease agreement dated 26 August 2015 in relation to the leasing of the Hart Avenue Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lee”	Mr. Lee Yuen Hong, a controlling shareholder and chairman of the Company and an executive Director
“Mrs. Lee”	Ms. Chan Choi Fung, the spouse of Mr. Lee
“PRC”	the People’s Republic of China but for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Termination Agreement”	the termination agreement dated 22 June 2016 entered into between Cheermax and Excellent Lead in relation to the termination of the Lease Agreement
“Termination Date”	30 September 2016 or earlier as notified by Cheermax with prior written notice served to Excellent Lead
“%”	per cent

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

Hong Kong, 22 June 2016

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