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翠華集團®
TSUI WAH GROUP

Tsui Wah Holdings Limited
翠華控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1314)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		% Change
	2019	2018	
	(HK$'000)	*(HK$'000)*	
Revenue	**1,786,756**	1,839,754	(2.9)%
Hong Kong#	**1,156,619**	1,194,111	(3.1)%
Mainland China	**613,428**	624,478	(1.8)%
Others##	**16,709**	21,165	(21.1)%
Profit for the year	**4,709**	80,770	(94.2)%
Attributable to:			
Owners of the Company	**4,741**	80,205	(94.1)%
Non-controlling interests	**(32)**	565	N/A
Earnings per share			
Basic and diluted	**0.34 HK cent**	5.68 HK cents	(94.0)%
No. of restaurants including joint ventures	As at 31 March		
	2019	2018	
Hong Kong	**44**	33	
Mainland China	**35**	34	
Macau	**3**	3	
Singapore	**1**	–	

Revenue from external customers located in Hong Kong includes revenue derived from the sale of food to a joint venture of the Group amounting to approximately HK$6,868,000 (2018: approximately HK$8,778,000).

Represents revenue derived from the sale of food to joint ventures of the Group.

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**", each a "**Director**") of Tsui Wah Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**" or "**Tsui Wah**") for the year ended 31 March 2019 (the "**Year**"), together with the comparative figures for the year ended 31 March 2018 (the "**Year 2018**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
REVENUE	*4*	**1,786,756**	1,839,754
Other income and gains	*4*	**17,505**	12,580
Cost of inventories sold		**(497,497)**	(512,382)
Staff costs		**(575,462)**	(532,219)
Depreciation and amortisation		**(104,520)**	(106,456)
Property rentals and related expenses		**(313,897)**	(338,537)
Fuel and utility expenses		**(86,206)**	(86,465)
Selling and distribution expenses		**(35,629)**	(40,557)
Other operating expenses		**(201,876)**	(166,690)
Finance costs	*5*	**(1,628)**	(1,645)
Share of profits of joint ventures		**34,138**	39,378
PROFIT BEFORE TAX	*6*	**21,684**	106,761
Income tax expense	*7*	**(16,975)**	(25,991)
PROFIT FOR THE YEAR		**4,709**	80,770
Attributable to:			
Owners of the Company		**4,741**	80,205
Non-controlling interests		**(32)**	565
		4,709	80,770
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*9*	**0.34 HK cent**	5.68 HK cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2019

	2019	2018
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**4,709**	80,770
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(29,722)**	53,400
Reclassification adjustments for foreign operations deregistered during the year	**–**	(596)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**(25,013)**	133,574
Attributable to:		
Owners of the Company	**(24,981)**	133,009
Non-controlling interests	**(32)**	565
	(25,013)	133,574

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Notes	**2019** **HK$'000**	2018 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**531,617**	502,671
Investment properties		**117,333**	128,704
Prepaid land lease payments		**23,300**	25,576
Intangible assets		**6,108**	7,521
Investments in joint ventures		**65,345**	68,681
Prepayments and deposits paid in advance for purchase of property, plant and equipment		**20,729**	66,941
Goodwill		**4,354**	–
Non-current deposits and other receivables		**55,399**	99,714
Deferred tax assets		**17,895**	22,332
Total non-current assets		**842,080**	922,140
CURRENT ASSETS			
Inventories		**19,431**	19,062
Trade receivables	*11*	**6,238**	8,134
Prepayments, deposits and other receivables		**126,345**	92,008
Tax recoverable		**6,063**	5,805
Pledged time deposits		**9,206**	9,102
Cash and cash equivalents		**424,480**	509,987
Total current assets		**591,763**	644,098
CURRENT LIABILITIES			
Trade payables	*12*	**70,733**	89,104
Other payables and accruals		**141,403**	141,520
Interest-bearing bank borrowings	*13*	**62,990**	66,832
Finance lease payables		**209**	196
Tax payable		**4,671**	5,614
Total current liabilities		**280,006**	303,266
NET CURRENT ASSETS		**311,757**	340,832
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,153,837**	1,262,972

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 March 2019

	Note	2019 HK$'000	2018 HK$'000
NON-CURRENT LIABILITIES			
Other payable and accruals		**41,577**	42,620
Finance lease payables		**320**	529
Deferred tax liabilities		**2,154**	3,808
Total non-current liabilities		**44,051**	46,957
Net assets		**1,109,786**	1,216,015
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*14*	**14,112**	14,112
Reserves		**1,091,460**	1,200,293
		1,105,572	1,214,405
Non-controlling interests		**4,214**	1,610
Total equity		**1,109,786**	1,216,015

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

Tsui Wah Holdings Limited was incorporated in the Cayman Islands on 29 May 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the Year, the Company acted as an investment holding company and its subsidiaries were principally engaged in the provision of food catering services through restaurants and bakery shops in Hong Kong, the People's Republic of China (the "**PRC**" or "**Mainland China**"), Macau and the Republic of Singapore ("**Singapore**").

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). They have been prepared under the historical cost convention. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the Year. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote-holders of the investee;

(b) the rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date on which such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014–2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Other than as explained below regarding the impact of HKFRS 9 and HKFRS 15 and its amendments, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

HKFRS 9

HKFRS 9 *Financial Instruments* replaces HKAS 39 Financial Instruments: *Recognition and Measurement* for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

Classification and measurement

The Group has applied the classification and measurement requirements (including impairment) of HKFRS 9 retrospectively as at 1 April 2018 (date of initial application) to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. There has been no impact on the Group's financial instruments under HKFRS 9.

Changes to impairment model

(a) *Trade receivables*

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. Future cash flows for each group of receivables are estimated on the basis of historical loss experience, adjusted to reflect the effects of current conditions as well as forward looking information. Management has closely monitored the credit qualities and the collectability of the trade receivables. Trade receivables in dispute are assessed individually for impairment to determine whether specific loss allowance provisions are required. The adoption of the simplified expected credit loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 April 2018.

(b) *Other financial assets carried at amortised cost*
For other financial assets carried at amortised cost, including financial assets included in prepayments, deposits and other receivables, the expected credit loss is based on the 12-month expected credit loss. This represents the portion of lifetime expected credit loss that results from default events on the financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. Management has closely monitored the credit qualities and the collectability of other financial assets at amortised cost and considers that the expected credit loss is immaterial.

HKFRS 15 and its amendments

HKFRS 15 and its amendments replace HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 April 2018. The adoption of HKFRS 15 has had no material impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through restaurants and bakery shops. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

The following tables present revenue from external customers for the Year and certain non-current assets information as at 31 March 2019, by geographical area.

(a) *Revenue from external customers*

	2019	2018
	HK$'000	*HK$'000*
Hong Kong#	**1,156,619**	1,194,111
Mainland China	**613,428**	624,478
Others*	**16,709**	21,165
	1,786,756	1,839,754

The revenue information above is based on the locations of the customers.

As no revenue derived from sales to a single customer of the Group has accounted for 10% or more of the Group's total revenue during the Year, no information about major customers is presented.

\# *Revenue from external customers located in Hong Kong includes revenue derived from the sale of food to a joint venture of the Group amounting to approximately HK$6,868,000 (2018: approximately HK$8,778,000).*

* *Represents revenue derived from the sale of food to joint ventures of the Group.*

(b) Non-current assets

	2019	2018
	HK$'000	*HK$'000*
Hong Kong	**380,039**	344,692
Mainland China	**330,433**	397,775
Others	**58,314**	57,627
	768,786	800,094

The non-current assets information above is based on the locations of the assets and excludes non-current deposits and other receivables and deferred tax assets.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2019	2018
	HK$'000	*HK$'000*
Revenue		
Income from restaurant operations transferred at a point in time	**1,763,179**	1,809,811
Sale of food transferred at a point in time	**23,577**	29,943
	1,786,756	1,839,754

Performance obligation

The performance obligation of income from restaurant operations is satisfied upon completion of the service.

The performance obligation is satisfied upon delivery of the food and payment is generally due from immediately to 60 days from delivery.

An analysis of other income and gain is as follow:

	2019 *HK$'000*	2018 *HK$'000*
Other income and gains		
Bank interest income	**3,775**	3,729
Rental income	**5,098**	2,530
Government grants *(note)*	**241**	2,602
Gain on deregistration of subsidiaries	**–**	596
Others	**8,391**	3,123
	17,505	12,580

Note:

Government grants have been received by the Group from government authorities in Mainland China for financial support to the newly set-up enterprises in Shanghai. There are no unfulfilled conditions or contingencies relating to these grants.

5. FINANCE COSTS

	2019 *HK$'000*	2018 *HK$'000*
Interest on bank loans	**1,592**	1,618
Interest on finance leases	**36**	27
	1,628	1,645

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2019 *HK$'000*	2018 *HK$'000*
Cost of inventories sold	**497,497**	512,382
Depreciation of items of property, plant and equipment	**97,298**	101,763
Depreciation of investment properties	**3,408**	869
Amortisation of land lease payments	**694**	1,691
Amortisation of intangible assets	**3,120**	2,133
Minimum lease payments under operating leases	**269,076**	253,009
Contingent rents under operating leases	**14,562**	44,318
	283,638	297,327
Employee benefit expenses (excluding Directors' and chief executive's remuneration):		
Wages and salaries	**521,358**	482,293
Retirement benefit scheme contributions*	**46,544**	40,483
	567,902	522,776
Auditor's remuneration	**2,524**	2,280
Write-off of items of property, plant and equipment	**3,131**	5,008
Impairment of intangible asset	**6,004**	–
Write-off of prepayments, deposits and other receivables	**–**	520
Foreign exchange differences, net	**11,795**	(6,600)

* At the end of the reporting period, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2018: Nil).

7. INCOME TAX EXPENSE

	2019 *HK$'000*	2018 *HK$'000*
Current — Hong Kong		
Charge for the year	**9,398**	10,890
Overprovision in prior years	**(478)**	(3,067)
Current — Elsewhere		
Charge for the year	**6,334**	17,653
Underprovision in prior years	**193**	291
Deferred tax	**1,528**	224
Total tax charge for the year	**16,975**	25,991

Hong Kong profits tax was provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% (2018: 16.5%) during the Year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

8. DIVIDENDS

	2019	2018
	HK$'000	*HK$'000*
Interim — HK1.0 cent (2018: HK2.0 cents) per ordinary share	**14,112**	28,224
Final dividend proposed after the end of the reporting period — HK1.0 cent (2018: HK1.5 cents) per ordinary share	**14,112**	21,168
Special dividend proposed after the end of the reporting period — Nil (2018: HK1.5 cents) per ordinary share	**–**	21,168
	28,224	70,560

The proposed final dividend for the Year is subject to the approval of the Company's shareholders (the "**Shareholders**") at the forthcoming annual general meeting to be held on 23 August 2019.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount for the Year is based on the profit for the Year of HK$4,741,000 (2018: HK$80,205,000) attributable to ordinary equity holders of the Company and the weighted average number of 1,411,226,450 ordinary shares (2018: 1,411,226,450 Shares) in issue.

The Group had no potentially dilutive Shares in issue during the Year and Year 2018. Accordingly, there was no diluted earnings per share for the Year and Year 2018.

10. PROPERTY, PLANT AND EQUIPMENT

During the Year, there were additions of items of property, plant and equipment of approximately HK$139,255,000 (2018: HK$61,501,000). There was a write-off of items of property, plant and equipment of approximately HK$3,131,000 during the year (2018: HK$5,008,000).

11. TRADE RECEIVABLES

	As at 31 March	
	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**6,238**	8,134

An ageing analysis of the trade receivables as at the end of the reporting year, based on the invoice date, is as follows:

	2019	2018
	HK$'000	*HK$'000*
Less than one month	**2,268**	4,101
One to two months	**3,970**	4,033
	6,238	8,134

The Group's trading terms with its customers are mainly on cash and smart card settlement, except for well-established corporate customers for which the credit term is generally 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables were amounts due from the Group's joint ventures of HK$2,988,000 (2018: HK$4,340,000) as at 31 March 2019, which were repayable on credit terms similar to those offered to the major customers of the Group.

12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting year, based on the invoice date, is as follows:

	2019	2018
	HK$'000	*HK$'000*
Less than one month	**45,304**	56,013
One to two months	**25,429**	33,091
	70,733	89,104

The trade payables are non-interest-bearing and generally have payment terms of 45 days.

13. INTEREST-BEARING BANK BORROWINGS

	2019			2018		
	Effective interest rate *(%)*	**Maturity**	***HK$'000***	Effective interest rate *(%)*	Maturity	*HK$'000*
Current						
Bank loans — secured	**1 Month Hong Kong Interbank Offer Rate ("HIBOR") +1.00%**	**On demand**	**62,990**	1 Month HIBOR+1.00%	On demand	66,832

	As at 31 March	
	2019	2018
	HK$'000	*HK$'000*
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	**62,990**	66,832

The Group's bank loans are secured by mortgages over the Group's land and buildings, which had an aggregate carrying value at the end of the reporting year of approximately HK$197,675,000 (2018: approximately HK$205,192,000).

All the Group's bank loans as at 31 March 2019 containing an on-demand clause have been classified as current liabilities. For the purpose of the above analysis, the loans are included within current interest-bearing bank borrowings and analysed into bank loans repayable on demand.

The amounts payable based on the maturity terms of the loans are analysed as follows:

	As at 31 March	
	2019	2018
	HK$'000	*HK$'000*
Bank loans:		
Within one year	**3,619**	4,037
In the second year	**3,715**	4,105
In the third to fifth years, inclusive	**11,718**	12,759
Beyond five years	**43,938**	45,931
	62,990	66,832

14. ISSUED CAPITAL

	Number of ordinary shares of HK$0.01 each	**Nominal value of ordinary shares** *HK$'000*
Authorised:		
As at 31 March 2018 and 31 March 2019	10,000,000,000	100,000
Issued and fully paid:		
As at 1 April 2017, 31 March 2018, 1 April 2018 and 31 March 2019	1,411,226,450	14,112

15. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation. In the opinion of the Directors of the Company, this presentation would better reflect the financial performance of the Group.

CHAIRMAN'S STATEMENT

On behalf of the Board, I hereby present the annual results of the Group for the Year.

Over the past year, the retail market in Hong Kong was filled with uncertainties. The depreciation of the Renminbi and the weakening of the desire for consumption brought by the Sino-US trade war, coupled with the fierce market competition and the increase in costs and expenses, have inevitably affected the Group's results for the Year. After careful assessment on current market conditions and the global economic landscape, the Group has assertively adjusted its development strategies with the view of striking a balance between business growth and profitability by way of shifting the Group's focus from business recovery to business growth. Meanwhile, for the purpose of aligning and facilitating the Group's development and operational strategies, the Group's management structure has been rationalized to further strengthen the Group's execution over its control on operations and costs, and a share award scheme has been adopted to reward employees who have contributed to the Group. It is believed that these moves and changes will serve to lay a cornerstone for the sustainable growth of the Group in the future.

Against the backdrop of such a challenging external environment, the Group has been wholeheartedly and unremittingly formulating and implementing its development strategies by forging and nurturing various new brands in Hong Kong during the Year, which have diversified the Group's product portfolio and increased market penetration, and such brands eventually become the powerhouse for growth and profitability in the future. Over the past years, having captured business opportunities eagerly in the Greater Bay Area, the Group has taken the initiative and opened a branch under the brand of "Tsui Wah" in the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port Passenger Clearance Building. During the Year, the Group also expanded the geographic coverage of the brand of "Tsui Wah Eatery" into overseas market and set up its first branch in Singapore in June 2018, which is operated through strategic partnership with JUMBO Group Limited ("**Jumbo**"). As for the market of Mainland China, the Group is now actively reorganizing its branch network in Mainland China to integrate existing restaurants with the view to marking its strategic footprint over various transportation hubs such as airports and railways as a strategy for future growth. As of 31 March 2019, the Group operated 83 restaurants in total, of which 44, 35, three and one were respectively located in Hong Kong, Mainland China, Macau and Singapore.

In order to offer more convenient services for our customers, the Group has further offered more ordering channels and accordingly, diversified the business of the Group by working together with various online food delivery platforms. During the Year, the Group also continued to actively expand its "Supreme Catering (至尊到會)" business and "Tsui Wah Delivery (快翠送)" service.

It is our honour to receive certain awards and accreditations during the Year, including Qualifications Framework Scheme's "Qualifications Framework (QF) Star Employer" issued by Education Bureau of the Hong Kong Special Administrative Region, "Green Office Awards" label and "Eco-Healthy Workplace" label issued by World Green Organisation, "BOCHK Corporate Environmental Leadership Award 2017" conferred by Federation of Hong Kong Industries and Bank of China (Hong Kong), "U Favourite Marketing Campaign — Tsui Wah 50th Anniversary Classic Dish Series" organized by U Magazine and "Top Service Awards 2018 — Cha Chaan Teng" awarded by Next Media.

While we are challenged by current market conditions and the global economic landscape, the Group's management remains optimistic about the future and has developed a series of clear strategies which include the following.

(I) Consolidating the business of the brand "Tsui Wah" and diversifying the business under new brand names

The brand of "Tsui Wah" has always been the Group's core business, and we have endeavored to improve the profitability of our restaurants for the coming days. Management has cautiously reviewed the Group's restaurant network in both Hong Kong and Mainland China. In the future, in order to maximize its operational efficiency, the Group is going to integrate restaurants with overlapping geographic coverage and rationalize the size of its restaurants in Eastern China.

On the other hand, we are going to further diversify and expand the Group's business under new brand names and strive to forge them into the Group's future powerhouse of growth and profit. The new brands have been developing steadily over the Year. The Group will keep identifying desirable sites for timely expansion of our restaurant network.

(II) Leveraging opportunities arising from both the Greater Bay Area and overseas market

The Group is going to expand into the Greater Bay Area, with a focus on marking its footprint in various major transportation hubs to seize business growth opportunities. While the Group will set up new restaurants in Shenzhen and Zhuhai, its restaurant in Singapore is anticipated to perform well given Jumbo is well-established with a wealth of local experience in the country. Therefore, we are preparing for the opening of the second branch in Singapore in the hope of building up a word-of-mouth for the brand of "Tsui Wah" and its products in the area. We shall keep abreast of market opportunities and strike a good balance between business growth and profitability.

(III) Enhancing internal operational efficiency through technological development

The Group also plans to improve its operational efficiency through various means. To start with, a self-service ordering and payment service has been implemented in all of our restaurants in Mainland China, and the Group is planning to launch this service in our other branches in Hong Kong for the purpose of offering a more refined dining experience for our customers and simplifying the order procedures, which will enable our frontline staff to focus more on enhancing our speed and service quality. In addition, we have worked together with various payment gateways such as Alipay and WeChat Pay for the purpose of bringing our customers a better spending and paying experience. We shall continue to strengthen the Group's data management system and enhance the speed of "Tsui Wah Delivery (快翠送)" service and its efficiency of the order process by keeping a close eye on the latest technological development and optimize the internal operational system, and shall also further expand our customer base. Furthermore, serving as a way to revitalize the brand of "Tsui Wah", the Group plans to renovate its restaurants in phases with an aim of offering customers a more comfortable dining environment and catering experience.

In addition, the centralised factory of the Group specializing in bakery products has been officially put into service during the Year. We are going to gradually transfer the production and processing of bakery products of both "BEAT Bakery" and "Tsui Wah" restaurants to this centralised factory as planned as a way to better control product quality and centralize the management of raw ingredients procurement and delivery, which will greatly improve the cost effectiveness. The Group is now planning to make full use of the centralised factory and boost the sales of bread of our restaurants.

Looking ahead, we have been fully prepared and taking proactive actions to alleviate the hardship faced by the Group although a competitive and challenging economic environment has remained in the catering industry. During the Year, we have actively adjusted our business strategies and accordingly, laid a cornerstone for our future. The Board believes that these efforts will reward us and drive better growth for each growth powerhouse in the future by riding on our perseverance in pursuit of quality food and service. I am confident in the strategies of the Group and its team, let alone the future of Tsui Wah. The Group will tide over challenges as it always does and kicks off a brand new start as a unity, while continuing to focus on revenue growth and cost control, improving its business operations and exploring new markets by implementing the abovementioned strategies.

Last but not least, on behalf of the Board, I would like to take this opportunity to thank all our staff and the management team for their work during the Year, and extend my sincere gratitude to our customers, shareholders, suppliers and business partners for their long-term support and confidence in the Group. The Group will continue to work harder in return for the support and encouragement we have received from the society for more than 50 years.

By order of the Board
Tsui Wah Holdings Limited
Lee Yuen Hong
Chairman and Executive Director

Hong Kong, 28 June 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Year, the Group continued to organically implement its restaurant expansion business plan by opening several new restaurants in Hong Kong, including Nijuuichi Don (廿一堂) in Central, Chez Shibata in Central, Deli Blossom (花盛) in Central, Maomao Eat (輕。快翠) in the Tai Kwun Centre for Heritage and Arts in Central, Maomao Eat (輕。快翠) in the West Kowloon Station, Senbadou (千羽堂) in Admiralty and a branch under the brand of "Tsui Wah Eatery" in the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port Passenger Clearance Building, while the Group has set up and operated its first restaurant in Singapore, which is a Hong Kong style Cha Chaan Teng (茶餐廳) under the brand of "Tsui Wah", through a strategic partnership established between the Group and Jumbo in Singapore.

As at 31 March 2019, the Group operated a total of 83 restaurants, of which 44, 35, three and one were respectively located in Hong Kong, Mainland China, Macau and Singapore, and six sub-brands, namely Nijuuichi Don (廿一堂), BEAT Bakery, Chez Shibata, Maomao Eat (輕。快翠), Senbadou (千羽堂) and Deli Blossom (花盛). Looking forward, with its plan to keep opening more new restaurants, the Group adheres to a prudent and commercially viable strategy in respect of its site selection for the opening of new restaurants and sets up restaurants largely in an area with higher customer traffic.

The industry continued to be challenged by substantially rising costs in raw ingredients, rent and labour. In order to maintain competitiveness, the Group has striven to implement and maintain a range of cost control measures to stabilise the overall operating efficiencies. The continued use of centralised kitchens served to decrease the costs associated with food processing and streamline the procurement and supply chain management, which sustained operational efficiency and enabled the gross profit margin of the Group to remain stable at 72.2% for the Year compared with that of 72.1% for Year 2018. The Group's net profit margin (profit for the Year as a percentage of revenue) recorded a decrease from approximately 4.4% for Year 2018 to approximately 0.3% for the Year, which was mainly attributable to an increase in operating costs such as labour costs as well as the initial start-up costs incurred by the opening of new restaurants.

Financial Review

Revenue

The revenue of the Group slightly decreased by approximately 2.9% from approximately HK$1,839.8 million for the Year 2018 to approximately HK$1,786.8 million for the Year. Although same store sales of certain branches in Hong Kong remained steady during the Year as compared to the Year 2018, the revenue within the region generally dropped owing to the increasingly challenging business environment for the catering industry in Hong Kong and the closure of certain restaurants of the Group when their leases expired during the Year 2018 and the Year. During the Year, overall sales in the PRC dropped by 1.8% as compared to the Year 2018, mainly due to structural changes in the catering industry in Mainland China and a slowdown in consumer spending.

Cost of inventories sold

Cost of inventories sold decreased by approximately HK$14.9 million, or approximately 2.9%, from approximately HK$512.4 million for the Year 2018 to approximately HK$497.5 million for the Year. The cost of inventories sold amounted to approximately 27.9% and 27.8% of the Group's revenue for the Year 2018 and the Year, respectively. The ratio of the cost of inventories sold in proportion to the Group's revenue for the Year remained rather stable as compared to the Year 2018, mainly attributable to various cost control measures on procurement adopted by the Group, including a bulk procurement policy, more stringent control on the food preparation process and optimisation of the use of centralised kitchens.

Gross profit

The Group's gross profit (which is equivalent to revenue subtracting the cost of inventories sold) for the Year was approximately HK$1,289.3 million, representing a slight decrease of approximately 2.9% from approximately HK$1,327.4 million for the Year 2018. The decrease in gross profit was attributable to the decrease in revenue, although the gross profit margin for the Year remained stable as compared to the Year 2018.

Human resources and remuneration policy

As at 31 March 2019, the Group employed 4,227 employees. The Group's staff costs increased by approximately HK$43.3 million from approximately HK$532.2 million for the Year 2018 to approximately HK$575.5 million for the Year, mainly attributable to the fact that the Group has increased its number of restaurants and set up a centralised factory specialising in bakery products during the Year. As a support to the Group's expansion, the number of employees of the Year has also increased to cope with increasing business needs and restaurant size. In addition, challenged by long-term labour shortages and high turnover in the catering industry, the Group has also raised salaries during the Year according to the performance of the employees and the industry's level to attract and retain talents. The Group understands the importance of recruiting the right personnel and retaining experienced staff in the highly competitive labour market in order to maintain its operations and uphold its well-established standard of high-quality services across all of its restaurants.

Remuneration packages are generally determined by reference to market norms, individual qualifications, relevant experience and performance. The Group periodically reviews the remuneration of its employees and has made slight increments to the base salary of its staff during the Year in line with the Group's historical practices.

In addition, the Company adopted its share option scheme on 5 November 2012 (the "**Share Option Scheme**"), where certain eligible persons whose contributions have been beneficial to the performance, growth or success of the Group would be awarded a personal stake in the Company. Since the adoption of the Share Option Scheme, no options have been granted. As at 31 March 2019, no share options were outstanding under the Share Option Scheme and no options were exercised, cancelled or lapsed during the Year.

Further, the Company adopted a share award scheme on 9 August 2018 (the "**Share Award Scheme**") for the purposes of, amongst others, providing incentives and helping the Group in retaining its existing employees. Since the adoption of the Share Award Scheme and up to 31 March 2019, none of the issued Shares purchased has been awarded under the Share Award Scheme.

Property rentals and related expenses

Property rentals and related expenses decreased by approximately HK$24.6 million, or approximately 7.3%, from approximately HK$338.5 million for the Year 2018 to approximately HK$313.9 million for the Year. The decrease was primarily attributable to the Group's effort in restructuring its restaurant portfolios during the Year. In order to ensure a better control of the property rentals and related expenses, the Group negotiated rental agreements with longer lease terms with an average of at least three years, to maintain commercially stable rental costs.

Selling and distribution expenses

The selling and distribution expenses decreased by approximately HK$5.0 million or approximately 12.3%, from approximately HK$40.6 million for the Year 2018 to approximately HK$35.6 million for the Year. The decrease was mainly due to one-off branding and marketing campaigns which took place in the Year 2018 and a decrease in relevant expenses during the Year.

Other operating expenses

Other operating expenses increased by approximately HK$35.2 million, or approximately 21.1%, from approximately HK$166.7 million for the Year 2018 to approximately HK$201.9 million for the Year, representing approximately 11.3% of the Group's revenue. The increase in other operating expenses was due to the increased exchange losses arising from the downward adjustment of Renminbi exchange rate and the increase in initial and operating costs of new restaurants.

Share of profits from joint ventures

The share of profits from joint ventures amounted to approximately HK$34.1 million for the Year, representing a decrease of approximately HK$5.3 million, or approximately 13.5%, from approximately HK$39.4 million for the Year 2018. The decrease was primary due to the fact that the performance of restaurants operated by certain joint ventures during the Year was affected by the changes in the business environment.

Income tax expense

Income tax expense decreased by approximately HK$9.0 million, or approximately 34.6%, from approximately HK$26.0 million for the Year 2018 to approximately HK$17.0 million for the Year, mainly attributable to the decrease in profit before tax for the Year.

Profit

Primarily due to the decrease in revenue from operations brought by the increases in costs and expenses to support the Group's business development and operation due to the continuing challenging business environment faced by the Group, the profit after income tax expenses decreased by approximately HK$76.1 million, or approximately 94.2%, from approximately HK$80.8 million for the Year 2018 to approximately HK$4.7 million for the Year.

Liquidity, financial resources and capital structure

The Group financed its business with internally generated cash flows and the proceeds received from the initial listing of the issued Shares on the Main Board of the Stock Exchange on 26 November 2012 (the "**Listing**"). As at 31 March 2019, the Group had cash and cash equivalents amounting to approximately HK$424.5 million, representing a decrease of approximately HK$85.5 million from approximately HK$510.0 million as at 31 March 2018. Most of the Group's bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

As at 31 March 2019, the Group's total current assets and current liabilities were approximately HK$591.8 million (31 March 2018: approximately HK$644.1 million) and approximately HK$280.0 million (31 March 2018: approximately HK$303.3 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 2.1 times (31 March 2018: approximately 2.1 times).

As at 31 March 2019, the Group recorded interest-bearing bank borrowings of approximately HK$63.0 million (as at 31 March 2018: HK$66.8 million). The interest-bearing bank borrowings were secured, repayable on demand and denominated in Hong Kong dollars and bore interest at 1.0% (31 March 2018: 1.0% above Hong Kong Interbank Offered Rate) above the one-month Hong Kong Interbank Offered Rate. During the Year, no financial instruments were used for hedging purposes. Details of the bank borrowings of the Group are set out in note 13 to the financial statements above.

As at 31 March 2019, the Group's gearing ratio, calculated based on the sum of interest-bearing bank borrowings and finance lease payables divided by the equity attributable to owners of the Company, was approximately 5.7% (31 March 2018: approximately 5.6%).

Material acquisitions and disposals

The Group had no material acquisitions or disposals of subsidiaries or associates during the Year.

Foreign currency risk

The Group's sales and purchases for the Year were mostly denominated in Hong Kong dollars and Renminbi. The Renminbi is not a freely convertible currency. Future exchange rates of the Renminbi could vary significantly from the current or historical exchange rates as a result of the capital controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes both domestically and internationally, and the demand and supply of the Renminbi. The appreciation or devaluation of the Renminbi against the Hong Kong dollar may have an impact on the Group's results. The Group will continue to take proactive measures and closely monitor its exposure to any currency movements.

Contingent liabilities

As at 31 March 2019, the Group had contingent liabilities of approximately HK$9.2 million (31 March 2018: approximately HK$9.1 million) in respect of bank guarantees given in favour of landlords in lieu of rental deposits.

Charge on assets

As at 31 March 2019, save as those disclosed in note 13 to the financial statements above, deposits of approximately HK$9.2 million (31 March 2018: approximately HK$9.1 million) were pledged for bank guarantee facilities of the Group. There was no charge on the Group's other assets.

Training and continuing development

During the Year, comprehensive training programmes and development initiatives pertaining to operational and occupational safety as well as customer services were provided to relevant employees in order to enhance the quality of services expected from customer-facing staff as well as to ensure the effective implementation of the Group's business ethos. A two-hour seminar on Directors' duties and responsibilities under statutory and regulatory requirements as well as an update on the amendments to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") was delivered by the company secretary of the Company to the Directors and the senior management in March 2019.

Prospects and Outlook

Customer satisfaction

In the foreseeable future, the Group will continue to effect its core strategy of prioritising its customers' dining experience by maintaining stringent food safety and diversifying the menu to suit seasonal changes in order to attract a broader base of customers whilst ensuring that its signature dishes will continue to be served at the highest quality. The Group has always endeavoured to provide high-quality food for its customers in a comfortable and hygienic *Cha Chaan Teng* environment. Furthermore, we trust that the Group will strive to build customer satisfaction by diversifying the Group's business under new brand names.

Corporate social responsibility

The Group is committed to adhering to its core corporate values and social responsibilities. The Group has strongly encouraged all its employees to partake in charitable activities organised by and associated with the Group such as the Community Chest fundraiser. The Group has also promoted environmental protection initiatives, bolstered its green procurement and energy saving policies, and provided customers with friendly reminders to reduce food waste. The Group continues to take an unwaveringly proactive role in giving back to the community.

*Environmental, social and governance ("**ESG**") performance*

The Group continually reviews its ESG efforts, corporate governance and risk management practices with an aim to create and deliver sustainable value to all its key stakeholders. The Group has been exploring more efficient opportunities to reduce the consumption of resources in order to reduce its impact on the environment.

Further, the Group has conducted a series of surveys by way of questionnaires with certain key stakeholders covering topics from the Group's environmental and social policies to governance issues. The surveys' results will serve as a solid foundation for the Group's upcoming ESG report. For more information regarding the Group's ESG performance for the Year, please refer to the Group's forthcoming ESG report, which can be viewed or downloaded from the Company's official website no later than three months after the publication of the Company's annual report for the Year (the "**Annual Report**").

Outlook

Going forward, the Group plans to diversify its scope of business and sources of income by (i) broadening its platform, developing new brands and exploring other innovative business models; and (ii) accelerating the Group's expansion into overseas markets and across the Guangdong-Hong Kong-Macau Greater Bay Area and strengthening its marketing efforts to attract customers from a diverse customer base in order to consolidate the Group's brand position and increase its market share in Hong Kong, Macau and Mainland China.

The Group also plans to improve its business model through various methods, including: (i) enhancing the Group's data management by keeping abreast of technological developments and strengthening the Group's internal operating systems; (ii) expanding the Group's production capacity by establishing a centralised factory specialising in bakery food during the Year and continuing to centralise the management of procurement and the distribution of raw ingredients; (iii) enhancing the Group's food quality by strictly using high-quality, healthy and safe raw ingredients and purchasing raw ingredients from reputable suppliers; (iv) raising the standard of the Group's services by strengthening the Group's personnel training and developing a sense of belonging for its staff through the core philosophy of people-oriented leadership; (v) actively expanding the coverage of the Group's "Tsui Wah Delivery" (快翠送) services by striving to increase and optimise the speed of the delivery service and the efficiency of the order process; and (vi) continuing to provide five-star service to customers of the Group's "Supreme Catering" (至尊到會) business by catering to the needs of customers for various occasions.

The Group will closely monitor the macroeconomic environment and continue to seize various growth opportunities to boost our brand reputation and maximise returns for the Shareholders. By leveraging on the determination and experience of its competent management team and staff, the Board is confident that the Group will continue striving to achieve its business strategies mentioned above.

OTHER INFORMATION

Annual general meeting

The forthcoming annual general meeting of the Company (the "**AGM**") is scheduled to be held on Friday, 23 August 2019. A notice convening the AGM will be issued and dispatched to the Shareholders in due course in the manner required by the Listing Rules.

Final Dividend

The Board has recommended the payment of a final dividend of HK1.0 cent per Share to the Shareholders whose names will appear on the register of members of the Company (the "**Register of Members**") on Friday, 30 August 2019, subject to the approval of the Shareholders at the AGM. If the resolution for the proposed final dividend is passed at the AGM, the proposed final dividend will be payable on or around Thursday, 12 September 2019.

Closure of Register of Members

For AGM

The Register of Members will be closed from Tuesday, 20 August 2019 to Friday, 23 August 2019 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining Shareholders' entitlement to attend and vote at the forthcoming AGM which will be held on Friday, 23 August 2019. In order to qualify for attending and voting at the forthcoming AGM, non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited (the "**Hong Kong Branch Share Registrar**") for registration no later than 4:30 p.m. on Monday, 19 August 2019. The present address of the Hong Kong Branch Share Registrar is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Its address will be Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11 July 2019.

For dividends

The Register of Members will be closed on Thursday, 29 August 2019 and Friday, 30 August 2019, during which period no transfer of Shares will be registered, for ascertaining Shareholders' entitlement to receive the proposed final dividend. In order to be eligible to receive the proposed final dividend, non-registered Shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the Company's Hong Kong Branch Share Registrar for registration no later than 4:30 p.m. on Wednesday, 28 August 2019. The present address of the Hong Kong Branch Share Registrar is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Its address with effect from 11 July 2019 will be Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Use of net proceeds from the Listing

The net proceeds from the Listing of the Company were approximately HK$794.4 million (after deducting underwriting fees and related expenses). The use of the net proceeds from the Listing as at 31 March 2019 was approximately as follows:

Use of net proceeds	**Percentage of net proceeds**	**Net proceeds** *(in HK$ million)*	**Amount utilised** *(in HK$ million)*	**Amount remaining** *(in HK$ million)*
Opening new restaurants and delivery centres and launch of catering service in Hong Kong	20%	158.9	(158.9)	–
Opening new restaurants in Mainland China	35%	278.0	(278.0)	–
Construction of new central kitchen in Hong Kong	10%	79.4	(79.4)	–
Construction of new central kitchens in Shanghai and Southern China	20%	158.9	(108.3)	50.6
Upgrading information technology systems	5%	39.8	(30.4)	9.4
Additional working capital and other general corporate purposes	10%	79.4	(79.4)	–
Total	100%	794.4	734.4	60.0

Change in Directors' information

During the Year and up to the date of this announcement, the following changes in the composition of the Board took place:

(i) the appointment of Ms. Lee Sin Ying as an executive Director with effect from 1 June 2019;

(ii) the appointment of Mr. Lee Tsz Kin Kenji as the Group Chief Executive Officer and his continuation to act as an executive Director with effect from 1 June 2019;

(iii) the appointment of Mr. Yang Dong John as a non-executive Director with effect from 1 April 2019; and

(iv) the resignation of Mr. Cheng Yu Sang as a non-executive Director with effect from 2 April 2018.

For further details, please refer to the announcements of the Company dated 5 January 2018 and 3 March 2019, respectively.

Compliance with the Corporate Governance Code

The Group maintained high standards of corporate governance which best suited the needs and requirements of its business and were in the best interests of the Shareholders. The Company has applied the principles and code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "**CG Code**"). During the Year, the Company complied with all the code provisions of the CG Code.

The Directors will continue to periodically review the Company's corporate governance policies and compliance with the CG Code.

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its own code of conduct governing the Directors' transactions of listed securities of the Company. Following a specific enquiry made by the Company with each of the Directors, all Directors confirmed that they had complied with the standards as set out in the Model Code for the Year.

Review of annual results by Audit Committee

The audit committee of the Company (the "**Audit Committee**") was established on 5 November 2012 with specific written terms of reference in compliance with Rule 3.22 of the Listing Rules and code provision C.3 of the CG Code. The written terms of reference were revised on 31 March 2016 and further revised on 1 January 2019 to conform with the requirements under the CG Code and the Listing Rules. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures of the Company. The existing members of the Audit Committee are Mr. Yim Kwok Man and Mr. Goh Choo Hwee, both are independent non-executive Directors (the "**INEDs**"), and Mr. Wong Chi Kin, a non-executive Director. Mr. Yim Kwok Man is the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's audited consolidated financial statements and annual results for the Year. The Audit Committee is of the view that the financial statements have been prepared in accordance with the applicable accounting standards and in compliance with the Listing Rules and relevant statutory provisions, and is satisfied that sufficient disclosure has been made.

Review of preliminary announcement by independent auditors

The figures in respect of the Group's consolidated statement of financial position as at 31 March 2019 as well as consolidated statement of profit or loss and consolidated statement of comprehensive income for the Year and the notes thereto as set out in this preliminary announcement have been agreed by the Company's independent auditors (the "**Independent Auditors**") to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by the Independent Auditors in this regard did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by the Independent Auditors on this preliminary announcement.

Purchase, sale or redemption of listed securities

During the Year, the Company did not redeem any of its shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares.

Public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, during the Year and thereafter up to the date of this announcement, the Company has maintained a sufficient public float (i.e. as least 25% of the issued Shares in public hands) for the issued Shares as required under the Listing Rules.

Events after the reporting period

No material events occurred after the end of the reporting period and up to the date of this announcement.

Publication of annual report

The Annual Report containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the website of the Company (www.tsuiwah.com) and the designated website of the Stock Exchange (www.hkexnews.hk) in due course in the manner as prescribed by the Listing Rules.

Closing remarks

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their continuous support and contribution. The Board also takes this opportunity to thank the Company's loyal shareholders, investors, customers, independent auditors, business partners and associates for their continued faith in the prospects of the Group.

By order of the Board
Tsui Wah Holdings Limited
Lee Yuen Hong
Chairman and Executive Director

Hong Kong, 28 June 2019

As at the date of this announcement, the Board comprises nine Directors: (a) Mr. Lee Yuen Hong (Chairman), Mr. Lee Tsz Kin Kenji (Group Chief Executive Officer) and Ms. Lee Sin Ying as executive Directors; (b) Mr. Cheng Chung Fan, Mr. Wong Chi Kin and Mr. Yang Dong John as non-executive Directors; and (c) Mr. Goh Choo Hwee, Mr. Tang Man Tsz and Mr. Yim Kwok Man as INEDs.