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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 AND REVISION OF ANNUAL CAP

Reference is made to the announcement of the Company dated 27 March 2015 (the “**Announcement**”) in relation to, among other things, the renewal of the lease of the Office Premises. Unless otherwise stated, definitions used in the Announcement shall have the same meanings when used in this announcement.

On 27 March 2015, the Lease Agreements have been entered into between the Group and its connected persons to renew the leases for the properties. In particular, 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 at the rent of HK\$125,000 per month.

THE SUPPLEMENTAL LEASE AGREEMENT D

The Board announces that on 25 September 2015 (after trading hours), Success Path as the landlord and Tsui Wah Efford as the tenant entered into a supplemental lease agreement in relation to the leasing of the Office Premises (“**Supplemental Lease Agreement D**”). Pursuant to the Supplemental Lease Agreement D:

- (i) the term of the Lease Agreement D shall be extended for two months and therefore the Lease Agreement D shall expire on 30 November 2015; and
- (ii) Tsui Wah Efford may terminate the Supplemental Lease Agreement D by giving Success Path not less than 7 days’ prior written notice.

As disclosed in the Announcement, the annual cap in respect of the Lease Agreement D for the financial year ending 31 March 2016 is HK\$750,000. In light of the extended rental period under the Supplemental Lease Agreement D, the annual cap in respect of the Lease Agreement D for the financial year ending 31 March 2016 will be exceeded and such annual cap shall be revised from HK\$750,000 to HK\$1,000,000. As a result, the aggregate annual caps with regard to the Lease Agreements and the Hart Avenue Lease Agreement as

amended by the supplemental letter dated 21 October 2014 and the supplemental lease agreement dated 26 August 2015 for the financial year ending 31 March 2016 shall be revised from HK\$24,006,000 to HK\$24,256,000. The revised annual caps are determined with reference to (i) the calendar monthly rent during the extended rental period and (ii) the length of the extended rental period.

As the Lease Agreement D as amended by the Supplemental Lease Agreement D will expire on 30 November 2015, the aggregate annual caps with regard to the Lease Agreements and the Hart Avenue Lease Agreement as amended by the supplemental letter dated 21 October 2014 and the supplemental lease agreement dated 26 August 2015 for the two financial years ending 2017 and 2018 shall remain unchanged.

Save for the above amendments, all other terms and conditions of the Lease Agreement D shall remain unchanged and 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 D

The Directors believes that entering into the Supplemental Lease Agreement D can facilitate the Company's needs while the new office premises is still under renovation.

The terms of the Supplemental Lease Agreement D were determined after arm's length negotiations between the parties thereto and on normal commercial terms with reference to the prevailing market rent for comparable premises in the vicinity. The Directors (including the independent non-executive Directors) consider that:

- (a) the terms of the Supplemental Lease Agreement D are fair and reasonable;
- (b) the Supplemental Lease Agreement D 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 D 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.

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

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 the connected persons of the Company under Chapter 14A of the Listing Rules.

GENERAL

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. Therefore, the transactions as contemplated under the Lease Agreement D and the Supplemental Lease Agreement D constitute continuing connected transactions of the Company under Chapter 14A 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 Agreement D and the Supplemental Lease Agreement D, they have abstained from voting on the Board resolutions for approving the Lease Agreement D as amended by the Supplemental Lease Agreement D and the transactions contemplated thereunder.

Since the applicable percentage ratios with respect to the revised annual caps for the financial year ending 31 March 2016 are more than 0.1% and less than 5%, the transactions under the Lease Agreements are subject to the reporting, annual review 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, 25 September 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.