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翠華餐廳®
Tsui Wah Restaurant

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 2016

FINANCIAL HIGHLIGHTS

	For the year ended 31 March		% Change
	2016	2015	
	(HK$'000)	*(HK$'000)*	
Revenue	**1,867,646**	1,801,000	3.7%
Hong Kong#	**1,308,694**	1,266,388	3.3%
Mainland China	**543,491**	522,188	4.1%
Others##	**15,461**	12,424	24.4%
Profit for the year	**72,471**	157,591	(54.0%)
Attributable to:			
Owners of the Company	**71,675**	157,407	(54.5%)
Non-controlling interests	**796**	184	332.6%
Earnings per share			
Basic	**HK5.07 cents**	HK11.19 cents	(54.7%)
Diluted	**HK5.07 cents**	HK11.06 cents	(54.2%)
No. of restaurants including joint ventures (As at 31 March)			
Hong Kong	**35**	31	
Mainland China	**24**	19	
Macau	**2**	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$7,614,000 (2015: approximately HK$9,474,000).

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

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Tsui Wah Holdings Limited (the"**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2016, together with the comparative figures for the year ended 31 March 2015, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
REVENUE	4	**1,867,646**	1,801,000
Other income and gains		**18,612**	20,764
Cost of inventories sold		**(536,815)**	(548,084)
Staff costs		**(512,887)**	(483,269)
Depreciation and amortisation		**(116,997)**	(97,289)
Property rentals and related expenses		**(311,541)**	(278,473)
Fuel and utility expenses		**(92,861)**	(85,453)
Advertising and marketing expenses		**(14,198)**	(8,929)
Other operating expenses		**(193,825)**	(161,277)
Other expenses		**(27,777)**	–
Finance costs	5	**(1,614)**	(1,704)
Equity-settled share option expense		**(1,862)**	(4,182)
Share of profits of joint ventures		**33,752**	36,972
PROFIT BEFORE TAX	6	**109,633**	190,076
Income tax expense	7	**(37,162)**	(32,485)
PROFIT FOR THE YEAR		**72,471**	157,591
Attributable to:			
Owners of the Company		**71,675**	157,407
Non-controlling interests		**796**	184
		72,471	157,591
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	9	**HK5.07 cents**	HK11.19 cents
Diluted	9	**HK5.07 cents**	HK11.06 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2016

	2016 *HK$'000*	2015 *HK$'000*
PROFIT FOR THE YEAR	**72,471**	157,591
OTHER COMPREHENSIVE INCOME		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(22,234)**	1,398
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**50,237**	158,989
Attributable to:		
Owners of the Company	**49,441**	158,805
Non-controlling interests	**796**	184
	50,237	158,989

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Notes	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**644,131**	643,244
Prepaid land lease payments		**73,753**	79,089
Intangible assets		**2,286**	2,752
Investments in joint ventures		**41,373**	55,199
Prepayments for purchase of property, plant and equipment and intangible assets		**12,844**	4,433
Non-current rental deposits		**61,271**	49,686
Deferred tax assets		**23,444**	17,626
Total non-current assets		**859,102**	852,029
CURRENT ASSETS			
Inventories		**22,833**	23,416
Trade receivables	11	**6,879**	6,065
Prepayments, deposits and other receivables		**65,386**	60,238
Pledged time deposits		**3,591**	1,803
Cash and cash equivalents		**547,231**	620,637
Total current assets		**645,920**	712,159
CURRENT LIABILITIES			
Trade payables	12	**76,018**	87,999
Other payables and accruals		**178,795**	151,607
Interest-bearing bank borrowings	13	**76,673**	81,784
Finance lease payables		**135**	291
Tax payable		**1,898**	9,027
Total current liabilities		**333,519**	330,708
NET CURRENT ASSETS		**312,401**	381,451
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,171,503**	1,233,480

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 March 2016

	Note	2016 HK$'000	2015 HK$'000
NON-CURRENT LIABILITIES			
Finance lease payables		–	291
Deferred tax liabilities		1,006	983
Total non-current liabilities		1,006	1,274
Net Assets		1,170,497	1,232,206
EQUITY			
Equity attributable to owners of the Company			
Issued capital	14	14,112	14,125
Reserves		1,155,305	1,217,797
		1,169,417	1,231,922
Non-controlling interests		1,080	284
Total Equity		1,170,497	1,232,206

NOTES:

1. CORPORATE AND GROUP INFORMATION

The Company 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 Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the year, Tsui Wah Holdings Limited and its subsidiaries (together, the "Group") are principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants in Hong Kong and the People's Republic of China (the "PRC" or "Mainland China").

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 ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. 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 Company and its subsidiaries for the year ended 31 March 2016. 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) 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 that 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 revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010–2012 Cycle
Annual Improvements to HKFRSs 2011–2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

(b) The *Annual Improvements to HKFRSs 2010–2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) The *Annual Improvements to HKFRSs 2011–2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as there was no acquisition of investment properties during the year and so this amendment is not applicable.

In addition, the Company has early adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the prior financial year.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[4]
Amendments to HKAS 1	*Disclosure Initiative*[1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
4 Effective for annual periods beginning on or after 1 January 2019
5 No mandatory effective date is determined but available for early adoption

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 April 2018. The Group is currently assessing the impact of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group is currently assessing the impact of the standard.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2016.

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 standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 April 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

HKFRS 16, Leases, sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is yet to assess the full impact of the standard on its financial position and results of operations. The standard is mandatorily effective for annual periods beginning on or after 1 April 2019.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 April 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 April 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through a chain of Hong Kong-style restaurants. 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 asset information as at 31 March 2016, by geographic area.

(a) Revenue from external customers

	2016	2015
	HK$'000	*HK$'000*
Hong Kong	**1,308,694**	1,266,388
Mainland China	**543,491**	522,188
Others*	**15,461**	12,424
	1,867,646	1,801,000

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 over 10% of the Group's total revenue during the year, no information about major customers is presented.

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

(b) Non-current assets

	2016	2015
	HK$'000	*HK$'000*
Hong Kong	**371,026**	366,614
Mainland China	**371,745**	372,487
Others	**31,616**	45,616
	774,387	784,717

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

4. REVENUE

Revenue represents amounts received and receivable from the operation of restaurants and the sale of food, net of sales related taxes. An analysis of revenue is as follows:

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Restaurant operations	**1,844,571**	1,779,102
Sale of food	**23,075**	21,898
	1,867,646	1,801,000

5. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on bank loans	**1,592**	1,663
Interest on finance leases	**22**	41
	1,614	1,704

6. PROFIT BEFORE TAX

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

	2016	2015
	HK$'000	*HK$'000*
Cost of inventories sold	**536,815**	548,084
Depreciation	**114,275**	94,986
Amortisation of land lease payments	**2,074**	1,997
Amortisation of intangible assets	**648**	306
Lease payments under operating leases in respect of land and buildings:		
Minimum lease payments	**239,225**	214,781
Contingent rents	**35,644**	34,224
	274,869	249,005
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
Wages and salaries	**479,281**	456,921
Equity-settled share option expense	**–**	506
Retirement benefit scheme contributions	**25,971**	17,857
	505,252	475,284
Auditors' remuneration	**2,613**	2,954
Write-off of items of property, plant and equipment	**4,768**	2,197
Impairment of items of property, plant and equipment*	**27,777**	–
Write-off of prepayments, deposits and other receivables	**–**	732
Write-off of trade receivables	**–**	230
Foreign exchange differences, net	**10,134**	(1,245)
Bank interest income	**(6,469)**	(8,697)
Rental income	**(1,740)**	(2,895)
Government grant *(note)*	**(6,201)**	(5,071)

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.

* *The impairment of items of property, plant and equipment is included in "Other expenses" in the consolidated statement of profit or loss.*

7. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the year	**24,751**	26,483
(Over)/under-provision in prior years	**(379)**	25
Current — Elsewhere		
Charge for the year	**18,585**	11,304
Overprovision in prior years	**–**	(280)
Deferred tax	**(5,795)**	(5,047)
Total tax charge for the year	**37,162**	32,485

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% (2015: 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

	2016	2015
	HK$'000	*HK$'000*
Interim — HK2.0 cents (2015: HK2.0 cents) per ordinary share	**28,277**	28,137
Final dividend proposed after the end of the reporting period — HK1.5 cents (2015: HK6.0 cents) per ordinary share	**21,168**	84,752
Special dividend proposed after the end of the reporting period — HK1.6 cents (2015: Nil) per ordinary share	**22,580**	–
	72,025	112,889

The proposed final and special dividends for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount for the year ended 31 March 2016 is based on the profit for the year attributable to ordinary equity holders of the Company of HK$71,675,000 (2015: HK$157,407,000) and the weighted average number of ordinary shares in issue during the year of 1,413,511,450 (2015: 1,406,419,636).

The calculation of the diluted earnings per share amount for the year ended 31 March 2016 is based on the profit for the year attributable to ordinary equity holders of the Company of HK$71,675,000 (2015: HK$157,407,000). The weighted average number of ordinary shares used in the calculation is the aggregate of the 1,413,511,450 (2015: 1,406,419,636) ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of 20,454 (2015: 17,032,628) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares of share options into ordinary shares.

10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 March 2016, there were additions of items property, plant and equipment of approximately HK$159,017,000 (2015: HK$225,069,000). There were write-off of items of property, plant and equipment approximately HK$4,768,000 (2015: HK$2,197,000).

An impairment loss of HK$27,777,000 (2015: Nil) was recognised for certain property, plant and equipment during the year because several restaurants in Hong Kong and the PRC were loss-making due to (a) the slower economic growth in Mainland China; (b) the deterioration in Hong Kong's retail industry in the year ended 31 March 2016 and the dropping of the number of tourists from Mainland China; and (c) the pressure faced by the food and beverage sector in Hong Kong, mainly arising from rental costs and labour costs. The impairment loss is estimated based on the recoverable amount of each individual restaurant cash generating unit. The recoverable amount of the restaurant cash generating unit is determined based on a value in use calculation using cash flow projections based on financial budgets covering a period of the remaining lease term plus the anticipated renewal period approved by senior management.

11. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**6,879**	6,065

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

	2016	2015
	HK$'000	*HK$'000*
Within one month	**3,833**	3,331
One to two months	**3,046**	2,734
	6,879	6,065

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$3,531,000 (2015: HK$2,786,000) as at 31 March 2016, 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 period, based on the invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within one month	**45,512**	46,260
Over one month but less than two months	**30,506**	41,739
	76,018	87,999

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

13. INTEREST-BEARING BANK BORROWINGS

	2016			2015		
	Effective interest rate ***(%)***	**Maturity**	***HK$'000***	Effective interest rate *(%)*	Maturity	*HK$'000*
Current	**1 Month**			1 Month		
Bank loans — secured	**HIBOR+1.75%**	**On demand**	**76,673**	HIBOR+1.75%	On demand	81,784

	2016	2015
	HK$'000	*HK$'000*
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	**76,673**	81,784

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 period of approximately HK$220,228,000 (2015: HK$227,746,000). In addition, the Company has guaranteed the Group's bank loans up to HK$86,809,000 (2015: HK$86,809,000) as at the end of the reporting period.

The Group's bank loans in the amount of HK$76,673,000 as at 31 March 2016 (2015: HK$81,784,000) containing an on-demand clause has been classified as a current liability. For the purpose of the above analysis, the loan is 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:

	2016	2015
	HK$'000	*HK$'000*
Bank loans:		
Within one year	**5,224**	5,119
In the second year	**5,338**	5,224
In the third to fifth years, inclusive	**16,629**	16,305
Beyond five years	**49,482**	55,136
	76,673	81,784

14. ISSUED CAPITAL

	Notes	**Number of ordinary shares of HK$0.01 each**	**Nominal value of ordinary shares** *HK$'000*
Authorised:			
As at 31 March 2015 and 31 March 2016		10,000,000,000	100,000
Issued and fully paid:			
At 1 April 2014		1,404,435,068	14,044
Share options exercised	*(a)*	8,103,468	81
As at 31 March 2015 and 1 April 2015		1,412,538,536	14,125
Share options exercised	*(a)*	1,323,914	13
Shares repurchased	*(b)*	(2,636,000)	(26)
As at 31 March 2016		1,411,226,450	14,112

Notes:

(a) During the year, the subscription rights attaching to 1,323,914 (2015: 8,103,468) share options were exercised at the subscription price of HK$2.27 per share, resulting in the issue of 1,323,914 (2015: 8,103,468) shares of HK$0.01 each for a total consideration, before expenses, of HK$3,005,000 (2015: HK$18,395,000). An amount of HK$356,000 (2015: HK$2,273,000) was transferred from the share option reserve to the share premium account upon the exercise of the share options.

(b) During the year, the Company purchased its own ordinary shares of 2,636,000 on the Stock Exchange at a total consideration of HK$3,704,000. The purchased shares were cancelled during the year and the issued share capital of the Company was reduced by the par value of HK$26,000. The premium paid on the purchase of the shares of HK$3,678,000, including transaction costs, has been charged to the share premium of the Company.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Tsui Wah Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**Tsui Wah**"), I am pleased to announce the annual results of the Group for the year ended 31 March 2016.

Having been a Hong Kong brand rooted in Hong Kong for nearly 50 years, Tsui Wah has gone through several economic cycles together with the community over the years, sharing the ups and downs. With the global financial market volatility, the slowdown in Chinese economic growth and the deterioration in Hong Kong's retail industry in the past year, the Group is also inevitably affected by the overall economic situation.

Nonetheless, leveraging on the Group's good brand reputation, solid foundation and extensive restaurant network built up over the years, Tsui Wah maintained stable development in the past year. With its consistent quality food and service, Tsui Wah continued to receive support from its loyal customers in Hong Kong and Mainland China during the year under review. Leveraging on the solid foundation established for years, the Group is confident that it can overcome each of the challenges together with the community as always by adhering to the 'Lion Rock spirit' and realising Hong Kong people's living philosophy of striving for continuous self-improvement.

Since the market is full of opportunities yet challenging, the Group actively reviews its development strategy and plans to open restaurants, with a goal to operate 80 restaurants or more by 2017. With a view to achieving economies of scale and increasing market penetration, the Group will continue to steadily expand the three core operation areas including Hong Kong and Macau region, Eastern and Central China region, and Southern China region. During the year under review, the Group opened ten new restaurants in total and entered Nanjing and Wuxi for the first time. The new restaurants are located in Shau Kei Wan, Hung Hom, Yuen Long and Wong Tai Sin in Hong Kong, Broadway in Macau, Baoshan Touch Mall and Hongqiao Airport Terminal 2 in Shanghai, Jinmao Place in Nanjing, Luohu district in Shenzhen and Suning Plaza in Wuxi, respectively.

With a view to improving the bargaining power and cost monitoring ability, the Group will continue to optimise the centralised procurement system and source quality food products from reputable suppliers. The Group has central kitchens in both Hong Kong and Shanghai. It is expected that they will further strengthen the Group's centralised procurement and logistics management capabilities, and in turn further achieve economies of scale and increase synergies.

In terms of resource management, the rapid development of internet has profound and extensive impacts on various industries, while it brings both opportunities and challenges. In response to the development trend of "Internet Plus", the Group continues to upgrade its IT infrastructure e.g. Point of Sales system and Enterprise Resources Planning supply chain to enhance operational efficiency. During the year under review, our restaurants in Mainland China began to accept Alipay. The smartphone for taking orders was gradually adopted by restaurants in Mainland China, Hong Kong and Macau. To further expand the customer base, the Group launched delivery services through the O2O food delivery service providers in most of the restaurants in Mainland China. The Group believes that increasing application of internet will enhance operational efficiency and provide customers with a more flexible, convenient and prompt consumption method.

During the year under review, in order to strengthen the Group's brand awareness and provide quality services to customers, the Group collaborated with Lai Yuen for the first time in the Lai Yuen Super Summer 2015 by serving various limited nostalgic snacks and setting up the "Tsui Wah Coffee Cups", an amusement park ride, on the Central Harbour front, Hong Kong, recalling the pastime scenes and recollecting the valuable collective memories together with the Hong Kong community. In order to contribute to the community and to thank the loyal customers for their long-term support towards the Group, the Group donated all sales revenue generated by the Wellington Street branch on 11 September 2015 to Charles K. Kao Foundation for Alzheimer's Disease Limited for charity purpose. The Group has also created a series of characters named "Little Creamy Buns (奶油豬人)" particularly designed based on the concept of "creamy bun served with condensed milk (奶油豬)", presenting various representative local legends of Hong Kong. Through its brand new design, the Wellington Street branch thoroughly reflects Tsui Wah's core value of serving the Hong Kong community with sincerity and being "people-oriented".

During the year under review, by adhering to the principle of diversified development, the Group's business of "Supreme Catering" (至尊到會) facility and "Tsui Wah Delivery" (快翠送) services continued to attain steady growth, aiming at providing comprehensive catering services to customers with different needs in different regions.

For the year ended 31 March 2016, the Group has earned a number of prestigious awards including "Hong Kong Top Brand" awarded by Hong Kong Brand Development Council and "OpenRice Best Restaurant Awards 2015 Online Voting in China — The Best Open Rice Hong Kong Restaurant" awarded by Open Rice, in recognition of the Group's focus and efforts on excellence in food and service quality.

In response to the catering market trend and needs of customers, the Group will continue to optimise its internal structure by consistently adhering to the operational principle of "quality production, environment and service". To ensure consistently high food quality for the customers, the Group will closely monitor the procurement and preparation process while sourcing high quality food products from reputable suppliers. The Group also strives to build up recruitment database by recruiting and developing workforce and offer competitive remuneration packages, promotion opportunities and training courses to its staff.

In order to further strengthen the senior management team composition, Mr. Pang Kwing Ho Peter was appointed as the chief executive officer with effect from 1 June 2016. On 1 January 2016, Ms. Hong On Nei was appointed as the chief financial officer to replace Mr. Yang Dong John while Mr. Yang Dong John would be focusing on our business expansion in the Mainland China as the chief executive officer of Mainland China region with effect from 1 January 2016.

Looking forward, the catering industry is still facing intense competition and various challenges, include the "four high" (四高) issues (i.e. increasingly high (i) rental costs, (ii) raw material costs, (iii) public utility rates and (iv) labour costs). Nevertheless, with our well established brand images and strategic vision, the Group is confident that a stable development can be maintained. In 2017, the Group will be celebrating the 50th anniversary. The Board is confident that the Group's persistent focus on excellence in food and service quality will deliver a sustainable growth. Last but not least, I would like to take this opportunity to thank, on behalf of the Board, all the staff and the management team for their hard work in the past year, and extend my sincere gratitude to our customers, shareholders, suppliers and business partners for their long term support and confidence in the Group.

Lee Yuen Hong
Chairman and Executive Director

Hong Kong, 28 June 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

During the year ended 31 March 2016, the significant slowdown of China's economy led to a general decrease in consumer confidence. At the same time, the Group had to face the pressure of rising food and labour costs. Notwithstanding the market condition, with 49 years of operating history in the food and catering sector, the Group has the experience to pass through several economic cycles in the past. Fortunately, the demand for high quality and reasonably priced cuisine offered by "Tsui Wah" has remained strong. The experienced members of the Board and management of the Group have led "Tsui Wah" to successfully overcome a number of challenges, promoted the recognition of the Group's brand, and maintained Tsui Wah as the leading *Cha Chaan Teng* chain owner and operator in Hong Kong. These are achieved mainly through serving unique cuisine of Tsui Wah prepared under stringent quality control by monitoring the safety and quality of the food of the Group.

Business Review

For the year ended 31 March 2016, the Group opened ten new restaurants in total across Hong Kong, Macau and Mainland China, as compared to ten in the year ended 31 March 2015. The four new restaurants in Hong Kong are located in Shau Kei Wan, Wong Tai Sin, Hung Hom and Yuen Long. In Macau, the Group has opened one new restaurant in Broadway. In Mainland China, the Group has opened five new restaurants in Shanghai Baoshan Touch Mall, Shanghai Hongqiao Airport Terminal 2, Nanjing, Wuxi and Shenzhen. As at 31 March 2016, the Group operated 35 restaurants in Hong Kong, 24 restaurants in Mainland China, and two restaurants in Macau.

The Group had a total of 61 restaurants across Hong Kong, Macau and Mainland China as at 31 March 2016.

The business environment for the food and catering sector has become increasingly harsh and challenging in recent years due to the rising costs in food, rental and labour. However, the Group has strived to implement and maintain effective cost and expense controls and improved the overall operating efficiencies through a range of cost control measures. Despite the slowdown in economic growth, the general business performance of the Group's restaurants remained satisfactory. As always, the Group will continue to adhere to its prudent strategy of site selection in the opening of new restaurants.

Moreover, the Group's cost control of inventories sold was satisfactory for the year ended 31 March 2016, which was mainly attributable to the effective implementation of cost control strategy of food materials through the establishing of the central kitchens which save food processing cost and the strengthening of procurement and supply chain management during the year. In addition, by reducing material loss during food preparation, the gross profit margin of the Group increased from 69.6% to 71.3%. However, the Group's net profit margin (profit for the year as a percentage of revenue) recorded a decrease from approximately 8.8% for the year ended 31 March 2015 to approximately 3.9% for the year ended 31 March 2016, which was mainly attributable to the initial start-up costs incurred by the new restaurants, the increment in property rentals, the increase in depreciation cost due to the increase in number of restaurants and the provision for impairment of certain fixed assets.

Financial Review

Revenue

The revenue of the Group increased by approximately 3.7% from approximately HK$1,801.0 million for the year ended 31 March 2015 to approximately HK$1,867.6 million for the year ended 31 March 2016, which was mainly attributable to the growth in restaurant sales due to the establishment of new restaurants and introduction of new items to the Group's menu from time to time.

Cost of inventories sold

Cost of inventories sold decreased by approximately HK$11.3 million, or approximately 2.1%, from approximately HK$548.1 million for the year ended 31 March 2015 to approximately HK$536.8 million for the year ended 31 March 2016. The cost of inventories sold amounted to approximately 30.4% and 28.7% of the Group's revenue for the year ended 31 March 2015 and 2016, respectively. The cost of inventories sold in proportion to the Group's revenue decreased for the year ended 31 March 2016 as compared to the preceding year which was primarily reflecting that: (i) the Group's policy in bulk procurement of ingredients, beverage and other operating items for the restaurant operation from suppliers had resulted in better purchase prices for these items; (ii) the Group's management and controlling measures over the food preparation process had reduced material loss; and (iii) the Group's central kitchens had saved the food processing cost.

Gross profit

The Group's gross profit, which equals to the revenue minus cost of inventories sold, for the year ended 31 March 2016 was approximately HK$1,330.8 million, representing an increase of approximately 6.2% from approximately HK$1,252.9 million for the year ended 31 March 2015. The increase was mainly due to the sales growth in the opening of new restaurants and strengthening of the procurement management and standardised food preparation procedures.

Staff costs

Staff costs of the Group increased by approximately HK$29.6 million, or approximately 6.1%, from approximately HK$483.3 million for the year ended 31 March 2015 to approximately HK$512.9 million for the year ended 31 March 2016. The increase was attributable to the general increase in the labour costs in the food and catering sector in recent years. The Group is of the opinion that the retention of experienced staff is vital in improving its operation and maintaining its well-established high-quality service across all of its restaurants. Staff costs as a percentage of the Group's revenue amounted to approximately 27.5% for the year ended 31 March 2016 as compared to 26.8% for the year ended 31 March 2015.

Property rentals and related expenses

Property rentals and related expenses increased by approximately HK$33.0 million, or approximately 11.9%, from approximately HK$278.5 million for the year ended 31 March 2015 to approximately HK$311.5 million for the year ended 31 March 2016, primarily because of (i) new restaurants premises leased during the year; and (ii) increase in rent when renewing leases. In order to realise a better control in the property rentals and related expenses, the Group negotiated rental agreements with longer term with its landlord(s) so as to maintain the rentals at a reasonable level.

Share of profits of joint ventures

Share of profits of joint ventures amounted to approximately HK$33.8 million for the year ended 31 March 2016, representing a decrease of approximately HK$3.2 million, or approximately 8.7% from approximately HK$37.0 million for the year ended 31 March 2015. The decrease was attributable to the decrease in revenue of restaurants resulting from renovation and the decrease in the number of visitors.

Income tax expense

Income tax expense increased by approximately HK$4.7 million, or approximately 14.4%, from approximately HK$32.5 million for the year ended 31 March 2015 to approximately HK$37.2 million for the year ended 31 March 2016.

Profit for the year

As a result of the increase of staff cost, property rentals and related expenses, depreciation of fixed assets, exchange loss of denominating Renminbi to Hong Kong dollars and the provision for impairment of fixed assets amounting to approximately HK$27.8 million, the profit for the year decreased by approximately HK$85.1 million, or approximately 54.0%, from approximately HK$157.6 million for the year ended 31 March 2015 to approximately HK$72.5 million for the year ended 31 March 2016.

Liquidity and financial resources

The Group had financed its business with internally generated cash flows and proceeds received from the listing of the shares of the Company (the "**Shares**") on the Stock Exchange (the "**Listing**"). As at 31 March 2016, the Group had cash and cash equivalents amounting to approximately HK$547.2 million, representing a decrease of approximately HK$73.4 million from approximately HK$620.6 million as at 31 March 2015. This was mainly attributable to the use of cash for the opening of new restaurants. Most bank deposits and cash were denominated in Hong Kong dollars and Renminbi. The Group will continue to use the internal generated cash flows and proceeds received from the Listing as source of funding for future investments and business plans.

As at 31 March 2016, the Group's total current assets and current liabilities were approximately HK$645.9 million (31 March 2015: approximately HK$712.2 million) and approximately HK$333.5 million (31 March 2015: approximately HK$330.7 million) respectively, while the current ratio was about 1.9 times (31 March 2015: about 2.2 times).

As at 31 March 2016, the Group had finance lease payables of approximately HK$0.1 million (31 March 2015: approximately HK$0.6 million) and interest-bearing bank borrowings of approximately HK$76.7 million (as at 31 March 2015: HK$81.8 million). The interest-bearing bank borrowings were secured, repayable on demand, denominated in Hong Kong dollars and bear interest at a rate of one-month Hong Kong Interbank Offered Rate +1.75%. During the year ended 31 March 2016, no financial instruments were used for hedging purposes.

As at 31 March 2016, the Group's gearing ratio, which was calculated based on the sum of interest-bearing bank borrowings and finance lease payables over equity attributable to owners of the Company, was approximately 6.6% (31 March 2015: approximately 6.7%).

Material acquisition and disposal

For the year ended 31 March 2016, the Group had no material acquisition or disposal.

Foreign currency risk

The Group's sales and purchases for the year ended 31 March 2016 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 controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and the demand and supply of the Renminbi. The appreciation or devaluation of the Renminbi against Hong Kong dollars may have impact on the Group's results. The Group will continue to take proactive measures and monitor closely its exposure to such currency movement.

Contingent liabilities

As at 31 March 2016, the Group had contingent liabilities of approximately HK$3.6 million (31 March 2015: approximately HK$1.8 million) in respect of bank guarantee given in favour of landlords in lieu of rental deposits.

Charge on assets

As at 31 March 2016, save as those disclosed in note 13 to the financial information and time deposits of approximately HK$3.6 million (31 March 2015: approximately HK$1.8 million) pledged for bank guarantee facilities of the Group, there was no charge on the Group's other assets.

Human resources

As at 31 March 2016, the Group (other than its joint ventures) employed approximately 4,175 employees. Remuneration packages are generally structured by reference to market terms, individual qualifications and experience. The Group reviews the remuneration of the employees from time to time.

During the year ended 31 March 2016, various training activities, such as training on operational safety, management skills as well as mentorship program, had been conducted to improve the front-end quality of services as well as to ensure the smooth and effective installation of the Group's business systems. The Group has continued to implement the management trainee program to enhance the depth and breadth of the management of the Group for their future career development.

Prospects and Outlook

Customer satisfaction

Moving forward, maintaining stringent food safety and a satisfactory dining experience will remain the Group's core strategy. The Group aims to provide its customers with hygienic and quality food and a good value-for-money dining experience. To achieve this objective, the Group's first central kitchen in Shanghai commenced its operation in June 2013 and subsequently the Group acquired the land-use right and buildings in Shanghai to establish a larger central kitchen to support its expanding restaurant network. The opening of central kitchens will further strengthen the Group's food quality and hygiene standards, boost its operational efficiency and standardise its quality control and management. The management of the Company will ensure that food safety and customer satisfaction remain as the Group's top priority.

Corporate social responsibility

Adhering to its core corporate values and beliefs, the Group is committed to bearing corporate social responsibilities. The Group actively encourages employees to participate in charitable activities and has provided in-kind support and sponsored various community charitable activities to raise funds to people in need. At the same time, the Group promotes environmental protection, including the implementation of green procurement and energy saving policies, and also encourages customers to choose a green diet and reduce food waste. The Group is always prepared to take a proactive role in giving back what it could afford to the society.

Outlook

In respect to the market in Hong Kong, the Group's central kitchen in Hong Kong was relocated to its self-acquired property and commenced operation in February 2015, which further improved standardisation and efficiency in its food processing. The Group will further use its central kitchens to bargain more reasonable food cost and better control its food quality. The Group will also further expand its restaurant network and enlarge its customer base through Tsui Wah Delivery and Supreme Catering. As regards the Group's information management system, the Group will strengthen its management efficiency and cost controls by implementing an ERP system. In addition, the Group has also strived to expand its "Supreme Catering" service to meet the increasing demand in Hong Kong for catering events, allowing customers to enjoy five-star catering experience. With the new central kitchen designated for "Supreme Catering", the Group will continue to provide a comprehensive range of catering services with tailor-made menus for its customers.

In the Mainland China market, the Group is expected to continue to benefit from (i) the ongoing urbanisation in the PRC; (ii) the rising disposable income of the country's burgeoning middle class; and (iii) business opportunities resulting from the increase in awareness and market demand for quality dining at a reasonable price. The Group will continue to evaluate expansion possibilities in different provinces in Mainland China.

In addition, while focusing on providing better food and service quality, the Group will also optimise its operational systems by retaining experienced staff and encouraging creative product development. All these, along with enhanced marketing and brand recognition activities, will ensure the Group's ability in generating revenue and maximising the returns to its Shareholders.

In view of the conditions outlined above, the Board believes that "Tsui Wah" has the resources, vision and reputation to capitalise on future opportunities for continued expansion in the enormous Mainland China market as well as in Hong Kong. The Board is confident that the Group will continue to explore business opportunities and expand its restaurant network in both Hong Kong and Mainland China.

OTHER INFORMATION

Annual general meeting

The annual general meeting of the Company (the "**AGM**") for the year ended 31 March 2016 is scheduled to be held on Friday, 26 August 2016. A notice convening the AGM will be issued and dispatched to the Shareholders in due course in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Dividend

The Board recommended the distribution of a final dividend of HK1.5 cents per ordinary share to the Shareholders whose names appear on the register of members of the Company on Wednesday, 7 September 2016, 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, 15 September 2016.

Special Dividend

The Board recommended the distribution of a special dividend of HK1.6 cents per ordinary share to the Shareholders whose names appear on the register of members of the Company on Wednesday, 7 September 2016, subject to the approval of the Shareholders at the AGM. If the resolution for the proposed special dividend is passed at the AGM, the proposed special dividend will be payable on or around Thursday, 15 September 2016.

Closure of register of members

The Company's register of members will be closed from Monday, 22 August 2016 to Friday, 26 August 2016 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining shareholders' entitlement to attend the forthcoming AGM to be held on Friday, 26 August 2016. All duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 19 August 2016.

The register of members of the Company will be closed from Monday, 5 September 2016 to Wednesday, 7 September 2016 (both days inclusive), during which period no transfer of Shares will be registered, for ascertaining shareholders' entitlement to receive the proposed final dividend and special dividend. In order to be eligible to receive the proposed final dividend and special dividend, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Friday, 2 September 2016.

Use of net proceeds from the Listing

The Shares were listed on the Main Board of the Stock Exchange on 26 November 2012 with net proceeds from the global offering of the Company of 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 2016 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 centers and launch of catering service in Hong Kong	20%	158.9	(153.8)	5.1
Opening new restaurants in 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	(105.4)	53.5
Upgrading information technology systems	5%	39.8	(14.0)	25.8
Additional working capital and other general corporate purposes	10%	79.4	(79.4)	–
Total	100%	794.4	710.0	84.4

Change in Directors' information

As disclosed in the announcement of the Company dated 31 December 2015, Mr. Cheung Wai Keung resigned as the non-executive Director of the Company with effect from 31 December 2015.

As disclosed in the announcement of the Company dated 25 April 2016, Mr. Ho Ting Chi was re-designated from an executive Director to a non-executive Director with effect from 1 June 2016.

Compliance with the Corporate Governance Code

The Group strives to maintain high standards of corporate governance which best suit the needs and requirements of its business and the Shareholders. The Company has applied the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules. During the year ended 31 March 2016, the Company has been in compliance with all the code provisions of the CG Code.

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

Compliance with the Model Code for Securities Transactions

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as a code of conduct of the Company regarding the Directors' transactions of the listed securities of the Company. Having made specific enquiry with all the Directors, the Directors confirmed that they had been in compliance with the dealing requirements set out in the Model Code throughout the year ended 31 March 2016.

Purchase, sale or redemption of securities

During the year ended 31 March 2016, the Company repurchased a total of 2,636,000 shares of the Company on the Stock Exchange at an aggregate consideration (including transaction cost) of approximately HK$3,704,000. 2,636,000 repurchased shares were subsequently cancelled in March 2016. Particulars of the repurchases are as follows:

Date of repurchase	**No. of shares repurchase**	**Price paid per share**		**Aggregate**
		Highest	**Lowest**	**consideration**
		HK$	*HK$*	*HK$*
23 February 2016	222,000	1.42	1.39	312,000
24 February 2016	658,000	1.43	1.40	930,000
25 February 2016	514,000	1.41	1.39	719,000
26 February 2016	1,242,000	1.47	1.40	1,743,000
Total	2,636,000			**3,704,000**

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2016.

Review of annual results

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 was revised on 31 March 2016 in compliance with the requirements under the CG Code. 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 comprise Mr. Yim Kwok Man, Mr. Goh Choo Hwee and Mr. Wong Chi Kin, all of whom are independent non-executive Directors. Mr. Yim Kwok Man is the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's consolidated financial statements and annual results for the year ended 31 March 2016. The Audit Committee is of the view that the financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions, and sufficient disclosures have already been made.

Public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this annual results announcement, the Company has maintained sufficient prescribed public float of the issued Shares as required under the Listing Rules.

Events after the reporting period

There is no material subsequent event undertaken by the Company or by the Group after 31 March 2016 and up to the date of this annual results announcement.

Publication of annual report

The annual report of the Company for the year ended 31 March 2016 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company 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.

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

Hong Kong, 28 June 2016

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