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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 2017**

FINANCIAL HIGHLIGHTS	For the year ended		% Change
	31 March		
	2017	2016	
	(HK\$'000)	(HK\$'000)	
<b>Revenue</b>	<b>1,845,405</b>	1,867,646	(1.2)%
Hong Kong <sup>#</sup>	<b>1,247,390</b>	1,308,694	(4.7)%
Mainland China	<b>579,262</b>	543,491	6.6%
Others <sup>##</sup>	<b>18,753</b>	15,461	21.3%
<b>Profit for the year</b>	<b>90,698</b>	72,471	(25.2)%
Attributable to:			
Owners of the Company	<b>90,483</b>	71,675	(26.2)%
Non-controlling interests	<b>215</b>	796	(73.0)%
<b>Earnings per share</b>			
Basic	<b>HK6.41 cents</b>	HK5.07 cents	(26.4)%
Diluted	<b>HK6.41 cents</b>	HK5.07 cents	(26.4)%
<b>No. of restaurants including</b>			
<b>joint ventures (As at 31 March)</b>	<b>2017</b>	2016	
Hong Kong	<b>32</b>	35	
Mainland China	<b>29</b>	24	
Macau	<b>3</b>	2	

<sup>#</sup> 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\$8,937,000 (2016: approximately HK\$7,614,000).

<sup>##</sup> 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**” or “**Tsui Wah**”) for the year ended 31 March 2017, together with the comparative figures for the year ended 31 March 2016, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 March 2017*

	<i>Notes</i>	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>REVENUE</b>	4	<b>1,845,405</b>	1,867,646
Other income	4	<b>15,277</b>	18,612
Cost of inventories sold		<b>(526,656)</b>	(536,815)
Staff costs		<b>(531,072)</b>	(533,503)
Depreciation and amortisation		<b>(110,628)</b>	(116,997)
Property rentals and related expenses		<b>(315,279)</b>	(311,541)
Fuel and utility expenses		<b>(90,429)</b>	(92,861)
Selling and distribution expenses		<b>(30,761)</b>	(24,757)
Other operating expenses		<b>(158,211)</b>	(162,650)
Other expenses		–	(27,777)
Finance costs	5	<b>(1,559)</b>	(1,614)
Equity-settled share option expense		–	(1,862)
Share of profits of joint ventures		<b>31,893</b>	33,752
<b>PROFIT BEFORE TAX</b>	6	<b>127,980</b>	109,633
Income tax expense	7	<b>(37,282)</b>	(37,162)
<b>PROFIT FOR THE YEAR</b>		<b>90,698</b>	72,471
Attributable to:			
Owners of the Company		<b>90,483</b>	71,675
Non-controlling interests		<b>215</b>	796
		<b>90,698</b>	72,471
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic	9	<b>HK6.41 cents</b>	HK5.07 cents
Diluted	9	<b>HK6.41 cents</b>	HK5.07 cents

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>PROFIT FOR THE YEAR</b>	<b>90,698</b>	72,471
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(28,914)</u>	<u>(22,234)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b><u>61,784</u></b>	<b><u>50,237</u></b>
Attributable to:		
Owners of the Company	<b>61,569</b>	49,441
Non-controlling interests	<b><u>215</u></b>	<u>796</u>
	<b><u>61,784</u></b>	<b><u>50,237</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	<i>Notes</i>	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>10</i>	<b>603,690</b>	644,131
Prepaid land lease payments		<b>67,595</b>	73,753
Intangible assets		<b>5,501</b>	2,286
Investments in joint ventures		<b>64,497</b>	41,373
Prepayments for purchase of property, plant and equipment and intangible assets		<b>35,377</b>	12,844
Non-current rental deposits		<b>49,052</b>	61,271
Deferred tax assets		<b>18,950</b>	23,444
Total non-current assets		<b>844,662</b>	859,102
<b>CURRENT ASSETS</b>			
Inventories		<b>18,312</b>	22,833
Trade receivables	<i>11</i>	<b>7,641</b>	6,879
Prepayments, deposits and other receivables		<b>98,352</b>	65,386
Tax recoverable		<b>9,048</b>	–
Pledged time deposits		<b>8,098</b>	3,591
Cash and cash equivalents		<b>496,604</b>	547,231
Total current assets		<b>638,055</b>	645,920
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>12</i>	<b>77,044</b>	76,018
Other payables and accruals		<b>151,303</b>	178,795
Interest-bearing bank borrowings	<i>13</i>	<b>71,485</b>	76,673
Finance lease payables		–	135
Tax payable		<b>4,200</b>	1,898
Total current liabilities		<b>304,032</b>	333,519
<b>NET CURRENT ASSETS</b>		<b>334,023</b>	312,401
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,178,685</b>	1,171,503

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***As at 31 March 2017*

	<i>Note</i>	<b>2017</b> <b>HK\$'000</b>	2016 <i>HK\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Other payable and accruals		<b>17,294</b>	–
Deferred tax liabilities		<b>1,083</b>	1,006
		<hr/>	<hr/>
Total non-current liabilities		<b>18,377</b>	1,006
		<hr/>	<hr/>
<b>Net assets</b>		<b>1,160,308</b>	1,170,497
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	<i>14</i>	<b>14,112</b>	14,112
Reserves		<b>1,144,901</b>	1,155,305
		<hr/>	<hr/>
		<b>1,159,013</b>	1,169,417
<b>Non-controlling interests</b>		<b>1,295</b>	1,080
		<hr/>	<hr/>
Total equity		<b>1,160,308</b>	1,170,497
		<hr/> <hr/>	<hr/> <hr/>

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

During the year, the Group was 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 (the "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 2017. 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 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 standards for the first time for the current year's financial statements.

HKFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012–2014 Cycle</i>	Amendments to a number of HKFRSs

The adoption of the above new and revised standards has had no significant financial effect on the financial statements.

## 2.3 CHANGE IN ACCOUNTING ESTIMATE

The Group revised the estimated useful lives for leasehold improvements. In the opinion of the Directors, the revised estimates can reflect the estimated useful life of the property, plant and equipment more accurately. The effect of that change in accounting estimate for the current year was a decrease in depreciation and an increase in profit after tax of HK\$9,349,000.

### 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 assets information as at 31 March 2017, by geographical area.

(a) *Revenue from external customers*

	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Hong Kong	<b>1,247,390</b>	1,308,694
Mainland China	<b>579,262</b>	543,491
Others*	<b>18,753</b>	15,461
	<b><u>1,845,405</u></b>	<u>1,867,646</u>

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\$8,937,000 (2016: approximately HK\$7,614,000).

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

(b) *Non-current assets*

	<b>2017</b> <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Hong Kong	<b>347,622</b>	371,026
Mainland China	<b>375,140</b>	371,745
Others	<b>53,898</b>	31,616
	<b><u>776,660</u></b>	<u>774,387</u>

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



#### 4. REVENUE AND OTHER INCOME

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 and other income is as follows:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
<b>Revenue</b>		
Restaurant operations	1,817,715	1,844,571
Sale of food	27,690	23,075
	<u>1,845,405</u>	<u>1,867,646</u>
<b>Other income</b>		
Bank interest income	3,292	6,469
Rental income	3,370	1,740
Government grants ( <i>note</i> )	5,693	6,201
Others	2,922	4,202
	<u>15,277</u>	<u>18,612</u>

*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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interest on bank loans	1,556	1,592
Interest on finance leases	3	22
	<u>1,559</u>	<u>1,614</u>

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
Cost of inventories sold	<b>526,656</b>	536,815
Depreciation	<b>107,165</b>	114,275
Amortisation of land lease payments	<b>1,962</b>	2,074
Amortisation of intangible assets	<b>1,501</b>	648
Minimum lease payments under operating leases	<b>244,722</b>	239,225
Contingent rents under operating leases	<b>33,988</b>	35,644
	<b>278,710</b>	274,869
Employee benefit expenses (excluding Directors' and chief executive's remuneration):		
Wages and salaries	<b>475,610</b>	479,281
Retirement benefit scheme contributions	<b>45,357</b>	44,725
	<b>520,967</b>	524,006
Auditor's remuneration	<b>2,530</b>	2,613
Write-off of items of property, plant and equipment	<b>448</b>	4,768
Impairment of items of property, plant and equipment*	–	27,777
Write-off of prepayments, deposits and other receivables	<b>3,479</b>	–
Foreign exchange differences, net	<b>2,994</b>	10,134

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

## 7. INCOME TAX EXPENSE

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Current — Hong Kong		
Charge for the year	16,548	24,751
Under/(over)provision in prior years	1,471	(379)
Current — Elsewhere		
Charge for the year	14,231	18,585
Underprovision in prior years	1,002	–
Deferred tax	4,030	(5,795)
	<u>37,282</u>	<u>37,162</u>
Total tax charge for the year	<u>37,282</u>	<u>37,162</u>

Hong Kong profits tax has been provided on the estimated assessable profits arising in Hong Kong at a rate of 16.5% (2016: 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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Interim — HK2.0 cents (2016: HK2.0 cents) per ordinary share	28,225	28,277
Final dividend proposed after the end of the reporting period		
— HK1.5 cents (2016: HK1.5 cents) per ordinary share	21,168	21,168
Special dividend proposed after the end of the reporting period		
— HK2.0 cents (2016: HK1.6 cents) per ordinary share	28,225	22,580
	<u>77,618</u>	<u>72,025</u>

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 2017 is based on the profit for the year of HK\$90,483,000 (2016: HK\$71,675,000) attributable to ordinary equity holders of the Company and the weighted average number of 1,411,226,450 ordinary shares (2016: 1,413,511,450) in issue.

The calculation of the diluted earnings per share amount for the year ended 31 March 2017 is based on the profit for the year of HK\$90,483,000 (2016: HK\$71,675,000) attributable to ordinary equity holders of the Company and the weighted average number of 1,411,246,904 ordinary shares (2016: 1,413,531,904) in issue during the year, as used in the basic earnings per share calculation.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 March 2017, there were additions of items property, plant and equipment of approximately HK\$86,434,000 (2016: HK\$159,017,000). There was a write-off of items of property, plant and equipment of approximately HK\$448,000 (2016: HK\$4,768,000).

In the prior year, an impairment loss of 27,777,000 was recognised for certain property, plant and equipment, which was estimated based on the recoverable amount of each individual restaurant cash generating unit. The recoverable amount of the restaurant cash generating unit was 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. The recoverable amount of the restaurant cash generating units being tested in aggregate was HK\$16,428,000 as at 31 March 2016. The pre-tax discount rates applied to the cash flow projections were 10.75% to 12.79% and 11.93% to 13.38% for Hong Kong and the PRC, respectively.

## 11. TRADE RECEIVABLES

	As at 31 March	
	2017	2016
	HK\$'000	HK\$'000
Trade receivables	<u>7,641</u>	<u>6,879</u>

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

	2017	2016
	HK\$'000	HK\$'000
Within one month	4,699	3,833
Over one month to two months	<u>2,942</u>	<u>3,046</u>
	<u>7,641</u>	<u>6,879</u>

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\$4,144,000 (2016: HK\$3,531,000) as at 31 March 2017, 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:

	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
Within one month	<b>51,994</b>	45,512
One to two months	<b>25,050</b>	30,506
	<b>77,044</b>	76,018

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

## 13. INTEREST-BEARING BANK BORROWINGS

	2017			2016		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
	1 Month		Maturity	1 Month		
Current	HIBOR+1.75%	On demand	<b>71,485</b>	HIBOR+1.75%	On demand	76,673

### As at 31 March

<b>2017</b>	2016
<b>HK\$'000</b>	HK\$'000

Analysed into:

Bank loans and overdrafts repayable:

    Within one year or on demand

<b>71,485</b>	76,673
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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\$212,710,000 (2016: approximately HK\$220,228,000).

All the Group's bank loans as at 31 March 2017 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	
	<b>2017</b>	2016
	<b>HK\$'000</b>	HK\$'000
Bank loans:		
Within one year	<b>5,087</b>	5,224
In the second year	<b>5,197</b>	5,338
In the third to fifth years, inclusive	<b>16,333</b>	16,629
Beyond five years	<b>44,868</b>	49,482
	<b>71,485</b>	76,673

## 14. ISSUED CAPITAL

	<i>Notes</i>	<b>Number of ordinary shares of HK\$0.01 each</b>	<b>Nominal value of ordinary shares HK\$'000</b>
<i>Authorised:</i>			
As at 31 March 2016 and 31 March 2017		10,000,000,000	100,000
<i>Issued and fully paid:</i>			
As at 1 April 2015		1,412,538,536	14,125
Share options exercised	<i>(a)</i>	1,323,914	13
Shares repurchased and cancelled	<i>(b)</i>	(2,636,000)	(26)
As at 31 March 2016, 1 April 2016 and 31 March 2017		1,411,226,450	14,112

### *Notes:*

- (a) In the prior year, the subscription rights attaching to 1,323,914 share options were exercised at the subscription price of HK\$2.27 per share, resulting in the issue of 1,323,914 shares of HK\$0.01 each for a total consideration, before expenses, of HK\$3,005,000. An amount of HK\$356,000 was transferred from the share option reserve to the share premium account upon the exercise of the share options.
- (b) In the prior year, the Company purchased 2,636,000 of its own issued ordinary shares on the Stock Exchange at a total consideration of HK\$3,704,000. The purchased shares were cancelled in the prior year and the issued share capital of the Company was reduced by the par value of approximately 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.

## 15. COMPARATIVE AMOUNTS

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

## CHAIRMAN'S STATEMENT

On behalf of the Board of the Company, I am pleased to announce the annual results of the Group for the year ended 31 March 2017.

During the year under review, the recovery of the global economy was uneven, which has in turn affected the economic development in Hong Kong, Macau and Mainland China. The growth in the overall income of the catering industry slowed down as a result. In this situation, I firmly believe that good corporate governance has increased consumer confidence and formed the cornerstone of the Group's goodwill. Therefore, Tsui Wah has actively adjusted its development strategies by careful consideration of current conditions in order to execute a strategic reorganisation aiming at a continuous optimisation of its organisational structure and management system. As for the top management team, the Group has appointed Mr. Pang Kwing Ho Peter as our chief executive officer with effect from 1 June 2016 and appointed Mr. Lee Tsz Kin Kenji as our executive Director and reappointed Mr. Yang Dong John as our chief financial officer, both with effect from November 2016. As for the frontline management team, the Group has adopted a long-term development strategy of retaining and promoting talents with a determined team spirit to achieve a new era of win-win cooperation with our business partners and our customers. The new management team has a shared business vision and possesses strong decision-making skills, which have enabled the Group to successfully overcome its unfavourable situation with effective cost controls in only a few months. Profit attributable to shareholders has also recorded a greater increase as compared to last year.

During the year under review, after the expiration of some restaurant leases, the Group assessed the locations of its restaurants. The Group has laid a strong foundation for rapid and steady development in the future by reorganising its resources. During the year, the Group opened a total of nine new restaurants in Hong Kong, Macau, Nanjing, Shenzhen, Guangzhou and Shanghai. As at 31 March 2017, the Group operated a total of 64 restaurants in Mainland China, Hong Kong and Macau. With our extensive restaurant network, regular new offerings and newly launched advertisement campaigns, it is hoped that new vitality will be injected into Tsui Wah, a historic *Cha Chaan Teng* (茶餐廳) brand spanning half a century.

To further drive growth, the Group has adopted a diversified development strategy. During the year under review, the Group's "Supreme Catering" (至尊到會) business entered the wedding market in Hong Kong for the first time while also providing Chinese-style catering services, grilled seafood recipes and a variety of meal-boxes for corporate customers to further open up income streams. The Group's "Tsui Wah Delivery" (快翠送) service business also continued to attain steady growth, aiming to provide comprehensive quality catering services to customers with differing needs among various regions.

During the year under review, the Group garnered a number of awards in many areas, fully reflecting Tsui Wah's determined effort in providing high quality food and a satisfactory customer experience, including the "Best-Ever Dining Awards 2016" and the "Best-Ever Dining Awards 2016 — My Favourite Cha Chaan Teng" accolades at the Best-ever Dining Awards 2016 by Weekend Weekly (新假期周刊) and the "Smiling-enterprise Award 2015–2016" by the Mystery Shopper Service Association in Hong Kong. In Mainland China the Group was awarded "The Most Popular Takeaway Restaurant" and the "Top 100 China Feasts — the Best Chinese Restaurant".

The year 2017 is a special year for us. The Group reaches its 50<sup>th</sup> anniversary and approaches the fifth anniversary of its listing, marking a significant milestone. I fervently hope to work more closely with everybody in the Group in the future to advance Tsui Wah towards becoming a century-old enterprise. We shall also implement reform measures such as optimising manpower allocation and enhancing production capacity to keep pace with the times and become more competitive. The Group's future development is focusing on two aspects: expanding revenue and controlling costs. The main measures towards achieving these objectives are as follows:

- Speed up the opening of stores in Hong Kong, Macau and Mainland China and open featured restaurants in Hong Kong and Mainland China in order to expand revenue sources, realise economies of scale and continue to increase market share
- Strengthen the Group's diversified development policy and accelerate the development of the "Supreme Catering" and "Tsui Wah Delivery" businesses
- Develop new brands in order to open up new sources of income, meet customers' demands for high quality food and catering services and thereby proactively adapt to the changing market environment
- Enhance market promotions to further attract diversified customers and solidify the Group's brand in Hong Kong, Macau and Mainland China
- Optimise the internal operation system to keep pace with the times and technology and increase operational efficiency and productivity of the existing facilities with an aim to become a modern and automated catering enterprise
- Strategically optimise the internal organisational structure to clarify the roles of team members and increase their capabilities to execute their responsibilities
- Enhance the production capacity of central kitchens and strengthen central procurement and distribution with a view to further reducing operating costs



As the first listed *Cha Chaan Teng* enterprise in Hong Kong, Tsui Wah has achieved a truly distinguished historical record. Adhering to the “Spirit of Lion Rock” for 50 years, Tsui Wah has patiently overcome a number of economic cycles together with the people of Hong Kong by following the principle of “speed, quality and perfection.” In the future, Tsui Wah is steadfastly committed to providing quality food and satisfactory services to everyone in response to the support we have received from society. Looking ahead, based on the building blocks of its achievements over the last half-century, Tsui Wah is striving to achieve an even better performance for another 50 glorious years.

Last but not least, I would like to take this opportunity, on behalf of my fellow Directors and all the staff of Tsui Wah, to 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 2017

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Overview

During the year ended 31 March 2017, the food and catering industry continued to be intensely competitive and has been persistently affected by the weakness of the global and Chinese economy in recent years. The impact of the slowdown in China's economy since 2014–2015 began to show signs of stabilisation; however, Hong Kong's tourism sector continued to be negatively impacted due to the continuing decline in the number of visitors from Mainland China. The softened number of inbound tourists which weakened the domestic retail market and coupled with the prevailing uncertainties in global economic policy, had further dampened consumer confidence, creating a difficult operating environment for the Group. Furthermore, the Group continued to stem the pressure of the substantial rising costs in rent, labour and raw ingredients, a recurring trend over the years.

Notwithstanding that the performance of the Chinese economy last year was the weakest in three decades and the corresponding effect it had on the domestic economy, the Group still maintained stable results. The Group is proud to celebrate the 50<sup>th</sup> year of operation in Hong Kong's food and catering industry in 2017.

### Business Review

During the last financial year, the Group continued to organically implement its restaurant expansion business plan by opening a total of nine new restaurants across Hong Kong, Macau and Mainland China. The new restaurant in Hong Kong is located in Tseung Kwan O, a district which is undergoing large-scale residential and commercial development. In Macau, the Group opened one new restaurant at the StarWorld Macau Hotel located in the Macau Peninsula, the northernmost region connected to Mainland China, which is considered to be the centre of most tourist activity as well as being a densely populated area. In Mainland China, the Group opened seven new restaurants respectively in Shanghai Pudong International Airport Terminal 1, Kaiyuan Mediterranean Shopping Mall in Nanjing as well as cities in the 'Pearl River Delta' region including Guangzhou and Shenzhen. The locations of the newly opened restaurants were chosen largely because they are situated in areas with higher customer traffic and fair rental costs.

As at 31 March 2017, the Group operated 32 restaurants in Hong Kong, 29 restaurants in Mainland China, and three restaurants in Macau under the Tsui Wah brand. In total, the Group currently has 64 restaurants under its operation within these three jurisdictions. The Group will continue to adhere to a prudent and viable strategy in respect of its site selection for the opening of new restaurants in light of the challenges confronting the tourism and retail industry, food and catering sector as well as sluggish consumer confidence in the regions in which the Group operates.

The food and catering industry continued to be challenged by the precarious macroeconomic environment as well as substantially rising costs in three key areas, namely raw ingredients, rent and labour. The Group has striven to implement and maintain effective cost and expense controls and improve the overall operating efficiencies through a range of measures. The Group's management of inventories was satisfactory for the year ended 31 March 2017 due to the continued use of central kitchens located in Hong Kong and Mainland China, which maintained a consistent standard of food quality, decreased the costs associated with food processing and streamlined procurement as well as supply chain management. The efficient use of these aforementioned cost control measures not only brought about a positive development to food preparation and processing but the improvement in operational efficiency also enabled the gross profit margin of the Group to increase slightly from 71.3% to 71.5%. The Group's net profit margin (profit for the year as a percentage of revenue) recorded an increase from approximately 3.9% for the year ended 31 March 2016 to approximately 4.9% for the year ended 31 March 2017, by virtue of the better control of operating costs during the year.

## **Financial Review**

### *Revenue*

The revenue of the Group decreased by approximately 1.2% from approximately HK\$1,867.6 million for the year ended 31 March 2016 to approximately HK\$1,845.4 million for the year ended 31 March 2017. The slight decrease was mainly attributable to the slowdown in the economy of Mainland China, the deterioration in Hong Kong's retail industry in the first half of the last financial year and the corresponding diminishing number of inbound tourists visiting from Mainland China coupled with cautious consumer spending. The dip in revenue was otherwise caused by certain store closures. The restaurant at the Peak, considered to be a tourist hot spot and one of the most affluent areas of Hong Kong, was also under renovation during the year under review.

### *Cost of inventories sold*

Cost of inventories sold decreased by approximately HK\$10.1 million, or approximately 1.9%, from approximately HK\$536.8 million for the year ended 31 March 2016 to approximately HK\$526.7 million for the year ended 31 March 2017. The cost of inventories sold amounted to approximately 28.7% and 28.5% of the Group's revenue for the years ended 31 March 2016 and 2017, respectively. The cost of inventories sold in proportion to the Group's revenue decreased for the year under review as compared to the preceding year owing to the Group's bulk procurement policy from its suppliers in respect of ingredients, beverages and other operating items required for the operation of its restaurants, resulting in more favourable purchase prices for such items. Furthermore, the Group's management and implementation of key measures to control the food preparation process had reduced material loss and the continued use of the Group's central kitchens in both Hong Kong and Mainland China contributed to the reduction of the cost associated with food processing.

### *Gross profit*

For the year ended 31 March 2017, the Group's gross profit, which is equivalent to revenue subtracting the cost of inventories sold, was approximately HK\$1,318.7 million, representing a decrease of approximately 0.9% from approximately HK\$1,330.8 million for the year ended 31 March 2016. The decrease was mainly due to a decrease in sales resulting from the closure of certain restaurants in Hong Kong and Mainland China, including Wuhan and Hangzhou.

### *Human resources and remuneration policy*

As at 31 March 2017, the Group (other than its joint ventures) employed approximately 4,280 employees (2016: 4,175). Staff costs of the Group decreased by approximately HK\$2.4 million, or approximately 0.5%, from approximately HK\$533.5 million for the year ended 31 March 2016 to approximately HK\$531.1 million for the year ended 31 March 2017. The decrease was attributable to the improved control of labour costs.

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 high-quality services across all of its restaurants. Staff costs as a percentage of the Group's revenue amounted to approximately 28.8% for the year ended 31 March 2017 as compared to approximately 28.6% for the year ended 31 March 2016.

Remuneration packages are generally structured by reference to market conditions, individual qualifications and performance, degree of responsibility, level of experience as well as the Group's financial results. The Group reviews the remuneration of employees from time to time and continued to make proper adjustments to the salary of its staff during the period under review in line with the Group's historical practices.

Further, the Group had adopted its pre-IPO share option scheme on 5 November 2012 (the "**Pre-IPO Share Option Scheme**"), where certain executives, employees and Directors ("**Eligible Employees**") are entitled to share options to subscribe for the ordinary shares of the Company as a reward for recognising the contribution of such Eligible Employees. As at 31 March 2017, approximately 26,800,000 options (2016: approximately 26,800,000 options) were outstanding under the Pre-IPO Share Option Scheme and no share options have been exercised during the last financial year.

In addition, the Group had 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 2017, no share options were outstanding.

### *Property rentals and related expenses*

Property rentals and related expenses increased by approximately HK\$3.8 million, or approximately 1.2%, from approximately HK\$311.5 million for the year ended 31 March 2016 to approximately HK\$315.3 million for the year ended 31 March 2017, which was primarily attributable to (i) the commencement of leases for the respective newly opened restaurants during the second half of the last financial year; and (ii) increases in rent across existing stores in the renewal of certain leases. In order to ensure better control of property rental costs and related expenses, the Group typically negotiated rental agreements with longer lease terms, to maintain commercially predictable and certain rental costs.

### *Share of profits of joint ventures*

Share of profits of joint ventures amounted to approximately HK\$31.9 million for the year ended 31 March 2017, representing a decrease of approximately HK\$1.9 million, or approximately 5.6% from approximately HK\$33.8 million for the year ended 31 March 2016. The decrease was mainly attributable to the economic downturn in Macau, which in turn affected the performance of the local retail and catering sector despite the Group's opening of a new restaurant during the year under review.

### *Income tax expense*

Income tax expense increased by approximately HK\$0.1 million, or approximately 0.3%, from approximately HK\$37.2 million for the year ended 31 March 2016 to approximately HK\$37.3 million for the year ended 31 March 2017.

### *Profit for the year*

As a result of the decrease in other operating expenses and no provision for the impairment of fixed assets, profit for the year increased by approximately HK\$18.2 million, or approximately 25.2%, from approximately HK\$72.5 million for the year ended 31 March 2016 to approximately HK\$90.7 million for the year ended 31 March 2017.

### *Liquidity and financial resources*

The Group financed its business with internally generated cash flows and the proceeds received from the listing of the issued shares of the Company on the Main Board of the Stock Exchange on 26 November 2012 (the “**Listing**”). As at 31 March 2017, the Group had cash and cash equivalents amounting to approximately HK\$496.6 million, representing a decrease of approximately HK\$50.6 million from approximately HK\$547.2 million as at 31 March 2016, as funds were utilised for acquiring property, plant and equipment for the opening of new restaurants. Most bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

As at 31 March 2017, the Group's total current assets and current liabilities were approximately HK\$638.1 million (31 March 2016: approximately HK\$645.9 million) and approximately HK\$304.0 million (31 March 2016: approximately HK\$333.5 million) respectively, while the current ratio was about 2.1 times (31 March 2016: about 1.9 times).

As at 31 March 2017, the Group had interest-bearing bank borrowings of approximately HK\$71.5 million (31 March 2016: approximately HK\$76.7 million). The interest-bearing bank borrowings were secured, repayable on demand and denominated in Hong Kong dollars and bore interest at 1.75% above the one-month Hong Kong Interbank Offered Rate. During the year ended 31 March 2017, no financial instruments were used for hedging purposes.

As at 31 March 2017, 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 6.2% (31 March 2016: approximately 6.6%).

### *Material acquisition and disposal*

On 26 January 2017, Kang Wang Holdings Limited (a wholly-owned subsidiary of the Company) entered into a conditional sale and purchase agreement (the “SPA”) with certain Directors and controlling shareholders of the Company for the acquisition of Success Path Limited which owns a building in Kwun Tong, Hong Kong.

The parties, however, subsequently entered into a deed of termination on 27 April 2017 to terminate the transactions considered under the SPA. The Board was of the view that the termination of the SPA was in the interests of the Company and its shareholders as a whole and had no material adverse impact on the existing business or financial position of the Group.

The Group otherwise had no material acquisition or disposal for the year ended 31 March 2017.

### *Foreign currency risk*

The Group’s sales and purchases for the year ended 31 March 2017 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 domestic and international economic developments and political changes, and the demand and supply for 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 such currency movement.

### *Contingent liabilities*

As at 31 March 2017, the Group had contingent liabilities of approximately HK\$8.1 million (31 March 2016: approximately HK\$3.6 million) in respect of bank guarantees given in favour of landlords in lieu of rental deposits.

### *Charge on assets*

As at 31 March 2017, save as those disclosed in note 13 to the financial statements above and time deposits of approximately HK\$8.1 million (31 March 2016: approximately HK\$3.6 million) 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 ended 31 March 2017, comprehensive training programmes and development initiatives pertaining to operational and occupational safety and also 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.

## 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 to the highest quality. The Group has always endeavoured to provide high quality food at affordable prices for its customers in a comfortable and hygienic *Cha Chaan Teng* environment.

### *Corporate social responsibility*

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

### *Outlook*

As the global economy is still undergoing a period of uncertainty and has witnessed unprecedented recent political events, the Group remains cautious and concerned about the impact on the economic conditions in Hong Kong and Mainland China. In particular, the Group will continue to monitor the rental lease terms for its respective restaurants and the rising cost of raw ingredients as well as tackle the pervasive challenge of shortages in labour and the upcoming statutory increase in minimum wage in Hong Kong.

Even though the macroeconomic environment has been challenging and is projected to remain so, the Group has persevered through this intensely competitive market in the last financial year. The Group remains confident of sustaining its unique position in Hong Kong and Mainland China and is excited by its long-term prospects in the *Cha Chaan Teng* market in light of the Group's iconic brand and continued popularity as well as the enduring demand for the affordable signature dishes offered in Tsui Wah's restaurants.

In particular for Hong Kong, the Group will continue to organically implement the use of its central kitchen to improve operational efficiency by lowering food cost and to ensure consistent food quality as well as continuing to refine signature dishes to further enhance customer satisfaction. The Group will continue to expand its restaurant network and enlarge its customer base through current business initiatives such as "Tsui Wah Delivery" and "Supreme Catering".

In the coming summer of 2017 and the near future, the Group will be introducing exciting new concepts that it believes will be successful in capturing emerging business opportunities. The Group is pleased to announce that it will launch new dishes to attract a broader customer base. The Group intends to increase profit through the placing of adverts in the most highly-watched local television network and sponsoring the popular recurring Cantonese television drama series “**溱心風暴**”, thereby further cementing the iconic “**Tsui Wah**” brand in the hearts of the Hong Kong populace and the wider Chinese demographic.

In respect of the market outlook for Mainland China, the Group is expected to continue to benefit from ongoing urbanisation and development as well as an expected increase in the disposable income of the large middle-class. The Group will continue to evaluate expansion possibilities within different localities in Mainland China including other promising first and second tier cities should appropriate opportunities arise. The Group will continue to monitor the recovery of the economy in Mainland China and tackle the changes in consumer habits to maintain the profitability of the Group.

In addition, while focusing on providing better food and service quality, the Group will also optimise its operational systems by retaining experienced staff and encourage creative product development. All of these initiatives, along with enhanced marketing and brand recognition activities, will ensure the Group’s ability to generate revenue and maximise returns to its shareholders.

## **OTHER INFORMATION**

### **Annual general meeting**

The forthcoming annual general meeting of the Company (the “**AGM**”) is scheduled to be held on Friday, 25 August 2017. 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 (the “**Listing Rules**”).

### **Final Dividend**

The Board has recommended the payment of a final dividend of HK1.5 cents per share to the shareholders whose names will appear on the register of members of the Company (the “**Register of Members**”) on Tuesday, 5 September 2017, 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, 14 September 2017.



## **Special Dividend**

The Board has recommended the payment of a special dividend of HK2.0 cents per share to the shareholders whose names will appear on the Register of Members on Tuesday, 5 September 2017, 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, 14 September 2017.

## **Closure of Register of Members**

### *For AGM*

The Register of Members will be closed from Monday, 21 August 2017 to Friday, 25 August 2017 (both days inclusive), during which period no transfer of shares will be registered, in order to ascertain shareholders' entitlement to attend the forthcoming AGM which will be held on Friday, 25 August 2017. In order to qualify for attending and voting at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, 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, 18 August 2017.

### *For dividends*

The Register of Members will be closed from Friday, 1 September 2017 to Tuesday, 5 September 2017 (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 duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, 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 Thursday, 31 August 2017.

## Use of net proceeds from the Listing

The net proceeds from the global offering 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 2017 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	(16.0)	23.8
Additional working capital and other general corporate purposes	10%	79.4	(79.4)	–
Total	100%	794.4	720.0	74.4

## Change in Directors' information

On 1 November 2016, the following changes in the composition of the Board and certain Board committees took place:

- (i) the appointment of Mr. Lee Tsz Kin Kenji as an executive Director;
- (ii) the re-designation of Mr. Wong Chi Kin as a non-executive Director, and his resignation as the chairman and a member of the nomination committee of the Board (the “**Nomination Committee**”) and a member of the remuneration committee of the Board (the “**Remuneration Committee**”);
- (iii) the respective appointments of Mr. Cheng Chung Fan and Mr. Cheng Yu Sang as non-executive Directors;

- (iv) the appointment of Mr. Tang Man Tsz as an independent non-executive Director and a member of the Remuneration Committee and the Nomination Committee respectively; and
- (v) the appointment of Mr. Lee Yuen Hong as the chairman of the Nomination Committee.

For further details, please refer to the announcement of the Company dated 1 November 2016.

### **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 in the best interests of 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 2017, the Company was in compliance with all the 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 the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules 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 been in compliance with the standards as set out in the Model Code for the year ended 31 March 2017.

### **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 provision C.3 of the CG Code. The written terms of reference were 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, of which Mr. Yim Kwok Man and Mr. Goh Choo Hwee are independent non-executive Directors, and Mr. Wong Chi Kin is a non-executive Director. 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 2017. 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 sufficient disclosure has been made.

### **Review of preliminary announcement by the Company's independent auditors**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2017 as set out in this preliminary announcement have been agreed by the Company's independent auditors to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2017. The work performed by the Company's independent auditors in this respect 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 Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by the Company's independent auditors on the preliminary announcement.

### **Purchase, sale or redemption of listed securities**

During the year ended 31 March 2017, 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 ended 31 March 2017 and thereafter up to the date of this annual results announcement, the Company has maintained a sufficient public float for its issued shares as required under the Listing Rules.

### **Events after the reporting period**

No material subsequent event has occurred to the Group after 31 March 2017 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 2017 containing all the information required by the Listing Rules will be dispatched to its shareholders and published on the website of the Company ([www.tsuiwah.com](http://www.tsuiwah.com)) and the designated website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course.

## **Appreciation**

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 its loyal shareholders, investors, customers, auditors, business partners and associates for their continued faith in the prospects of the Group.

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

Hong Kong, 28 June 2017

*As at the date of this announcement, the Board comprises the following members: (a) as executive Directors, Mr. Lee Yuen Hong, Mr. Cheung Yu To and Mr. Lee Tsz Kin Kenji; (b) as the non-executive Directors, Mr. Wong Chi Kin, Mr. Cheng Chung Fan and Mr. Cheng Yu Sang; and (c) as independent non-executive Directors, Mr. Goh Choo Hwee, Mr. Yim Kwok Man and Mr. Tang Man Tsz.*