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**If you have sold or transferred** all your shares in **Tsui Wah Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**翠華集團®**

**TSUI WAH GROUP**

**Tsui Wah Holdings Limited**

**翠華控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1314)**

## **MAJOR TRANSACTION IN RELATION TO LICENCE AGREEMENT**

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Capitalised terms used in this cover page shall have the same respective meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 8 of this circular.

The Licence Agreement and the transactions contemplated thereunder have been approved by written shareholder’s approval obtained from Cui Fa, a controlling Shareholder, pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company and this circular is being despatched to the Shareholders for information only.

30 June 2020

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following words and expressions have the meanings as respectively ascribed below:*

“Airport Authority”	the Airport Authority, a statutory body responsible for the operation and development of Hong Kong International Airport, which is governed by the Ordinance
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Catering Concession”	the catering concession as more particularly set out under the sub-heading “Catering Concession” in the section headed “The Licence Agreement” in the Letter from the Board
“Chairman”	the chairman of the Company
“Chief Executive”	the chief executive of the Company
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Commencement Date”	the date immediately following the expiration of the fitting out period (which means an overall period of 150 days commencing on (and including) the date of handover of the Catering Concession to Happy Billions) or the date on which the Catering Concession is open for business, whichever is earlier
“Company”	Tsui Wah Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose issued Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 1314)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	the novel coronavirus pneumonia (COVID-19) epidemic
“Cui Fa”	Cui Fa Limited, a controlling Shareholder holding 770,092,000 issued Shares as at the Latest Practicable Date
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Happy Billions”	Happy Billions Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

## DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“HKFRS 16”	HKFRS 16 <i>Leases</i>
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	26 June 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Licence Agreement”	the licence agreement dated 12 May 2020 entered into between Happy Billions and the Airport Authority (a counterpart of the Licensed Agreement was provided by the Airport Authority on 26 May 2020)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Lee”	Mr. Lee Yuen Hong, the Chairman and an executive Director
“Ordinance”	the Airport Authority Ordinance (Chapter 483 of the Laws of Hong Kong)
“Percentage Ratio(s)”	the percentage ratio(s) as defined under Rule 14.07 of the Listing Rules applied for determining the classification of notifiable transactions under the Listing Rules
“PRC”	the People’s Republic of China and, for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary shares of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

## DEFINITIONS

“Trading Names”

“Tsui Wah Restaurant”, “Nijuuichi Don by Tsui Wah”,  
“Ging Sun Ho King of Bun by Tsui Wah”, etc.

“%”

per cent

LETTER FROM THE BOARD



翠華集團®

TSUI WAH GROUP

Tsui Wah Holdings Limited

翠華控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1314)

*Executive Directors:*

Mr. Lee Yuen Hong (*Chairman*)

Mr. Lee Kun Lun Kenji

(formerly known as Lee Tsz Kin Kenji)

(*Group Chief Executive Officer*)

Ms. Lee Yi Fang

(formerly known as Lee Sin Ying)

*Non-executive Directors:*

Mr. Cheng Chung Fan

Mr. Wong Chi Kin

Mr. Yang Dong John

*Independent non-executive Directors:*

Mr. Goh Choo Hwee

Mr. Tang Man Tsz

Mr. Yim Kwok Man

*Registered office:*

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Room 1606–1608, 16/F, Riley House

88 Lei Muk Road, Kwai Chung

New Territories

Hong Kong

30 June 2020

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
IN RELATION TO LICENCE AGREEMENT**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 26 May 2020 in relation to the entering into of the Licence Agreement with the Airport Authority, pursuant to which Happy Billions has been granted a licence to operate the Catering Concession located at Terminal 1 of the Hong Kong International Airport under the Trading Names for a term of 60 months from the Commencement Date.

## LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further information on the transaction contemplated under the Licence Agreement and other information as required under the Listing Rules.

### THE LICENCE AGREEMENT

Date	:	12 May 2020 (a counterpart of the Licensed Agreement was provided by the Airport Authority on 26 May 2020)
Parties	:	The Airport Authority; and  Happy Billions, a wholly-owned subsidiary of the Company as licensee
Catering Concession	:	7T102A, 8T006 and 8T007 in Terminal 1 of the Hong Kong International Airport
Licence Period	:	60 months from the Commencement Date
Aggregate value of consideration payable	:	licence fee of HK\$171,324,000 in aggregate for the term of 60 months subject to additional turnover rent which may be imposed under the Licence Agreement. The licence fee will be satisfied by internal resources of the Group on a monthly basis
Deposits	:	Happy Billions is required to pay a returnable performance deposit in the sum of HK\$9,084,000 and a returnable works deposit in the sum of HK\$10,000

### THE RIGHT-OF-USE ASSET

The unaudited value of the right-of-use asset recognised by the Company under the Licence Agreement amounts to approximately HK\$164.8 million, which is the present value of the total licence fee payable during the term of the Licence Agreement plus estimated reinstatement cost with the lease at the inception of the lease term under the Licence Agreement in accordance with HKFRS 16. A discount rate of 1.78% per annum is applied to compute the present value of the total licence fee payable under the Licence Agreement.

### INFORMATION OF PARTIES TO THE LICENCE AGREEMENT

#### The Group

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of food catering services through restaurants and bakery shops in Hong Kong, Macau, the PRC and The Republic of Singapore.

## **LETTER FROM THE BOARD**

### **The Airport Authority**

The Airport Authority is a statutory body wholly-owned by the Government of Hong Kong and is responsible for the operation and development of Hong Kong International Airport, which is governed by the Ordinance.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Airport Authority and the ultimate beneficial owner thereof are third parties independent of the Company and its connected persons.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE LICENCE AGREEMENT**

The Group had been carrying on its Cha Chaan Teng business at, amongst other places, 7T102A, 8T006 and 8T007 in Terminal 1 of the Hong Kong International Airport (i.e. the Catering Concession) for more than 7 consecutive years. The previous licence agreement in respect of the Catering Concession expired on 2 March 2020.

On 26 May 2020, Happy Billions was provided with a counterpart of the Licence Agreement signed by the Airport Authority, pursuant to which Happy Billions has been granted a licence by the Airport Authority to operate the Catering Concession located at Terminal 1 of the Hong Kong International Airport under the Trading Names for a term of 60 months from the Commencement Date.

The consideration under the Licence Agreement was determined by way of tender which was submitted to the Airport Authority in mid-2019 and had been prepared by the Group by reference to the indicators such as passenger flow of the Hong Kong International Airport of approximately 74.6 million passengers in 2018 and approximately 71.5 million passengers in 2019, and the past operating performance and customer flow of the Group's restaurant at the Catering Concession. The Board considers that bidding for this Catering Concession would at least bring stable income to the Group. Due to various factors such as the outbreak of the COVID-19 across the world after the successful bidding by the Group, the Group has made friendly negotiations with the Airport Authority during the period, including discussion and consideration of postponing the Commencement Date, to deal with the impact of global epidemic on airport's passenger flow. The Group understands that although the Airport Authority considers that it is difficult to accurately predict the speed of air traffic recovery after the end of the epidemic at this stage, it is, however, expected that passenger traffic will gradually recover to the level before the epidemic. As a result, the Group will duly perform the Licence Agreement based on its spirit of compliance.

The Directors (including the independent non-executive Directors) consider that the Licence Agreement has been entered into in the ordinary and usual course of business of the Group and believe that the terms of the Licence Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole. However, the Group will continue to closely monitor the airport's passenger traffic situation and the global epidemic situation, and then actively communicate with the Airport Authority to make feasible plans.



## **LETTER FROM THE BOARD**

### **FINANCIAL EFFECTS OF ENTERING INTO THE LICENCE AGREEMENT**

As stated in the preceding paragraphs, the value (unaudited) of the right-of-use asset recognised by the Company under the Licence Agreement amounts to approximately HK\$164.8 million, which is the present value of the total licence fee payable during the term of the Licence Agreement plus estimated reinstatement cost with the lease at the inception of the lease term under the Licence Agreement in accordance with HKFRS 16. Accordingly, the consolidated total assets of the Group would increase by approximately HK\$164.8 million and a corresponding amount of lease liabilities of approximately HK\$164.8 million would also be recognised at the same time.

The right-of-use asset will be depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Interest expenses on the lease liabilities will be recognised at the rate of 1.78% per annum. The lease liabilities are adjusted by interest accretion and lease payments.

### **IMPLICATIONS UNDER THE LISTING RULES**

Upon the implementation of HKFRS 16, the entering into of the Licence Agreement will require the Group to recognise the exclusive rights as right-of-use asset in the consolidated financial statements of the Company according to HKFRS 16. As such, under the Listing Rules, the entering into of the Licence Agreement will be regarded as an acquisition of asset under Chapter 14 of the Listing Rules.

As the highest applicable Percentage Ratio of the transaction under the Licence Agreement is higher than 25% but lower than 100%, the entering into of the Licence Agreement constitutes a major transaction of the Company and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for such approval. Cui Fa, being a controlling Shareholder holding 770,092,000 Shares, representing approximately 54.57% of the issued Shares as at the Latest Practicable Date, has given its written approval for the Licence Agreement and the transactions contemplated thereunder and such written approval can be accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting of the Company will be convened for the purpose of approving the Licence Agreement pursuant to Rule 14.44 of the Listing Rules.

### **RECOMMENDATIONS**

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Licence Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Group and are on normal commercial terms which are made on an arm's length basis and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

## LETTER FROM THE BOARD

The Company has obtained from Cui Fa a written approval for the Licence Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company, and hence, no general meeting of the Company will be convened to approve the Licence Agreement and the transactions contemplated thereunder.

### FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of  
**Tsui Wah Holdings Limited**  
**Kwok Siu Man**  
*Company Secretary*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the six months ended 30 September 2019 (the “Period”) and each of the three years ended 31 March 2019, 2018 and 2017 are disclosed in the following documents which have been published on both the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<https://www.tsuiwah.com>), and can be accessible by the links as follows:

- interim report of the Company for the Period (pages 10 to 29)  
<http://www.tsuiwah.com/wp-content/uploads/2019/12/EW01314-IR.pdf>
- annual report of the Company for the year ended 31 March 2019 (pages 59 to 132)  
<http://www.tsuiwah.com/wp-content/uploads/2019/07/EW01314-AR.pdf>
- annual report of the Company for the year ended 31 March 2018 (pages 57 to 132)  
<http://www.tsuiwah.com/wp-content/uploads/2018/07/EW01314.pdf>
- annual report of the Company for the year ended 31 March 2017 (pages 67 to 139)  
<http://www.tsuiwah.com/wp-content/uploads/2017/07/EW01314.pdf>

## 2. STATEMENT OF INDEBTEDNESS

### **Borrowings**

As at 31 May 2020, which was the latest practicable date for the purpose of determining the amount of indebtedness, the Group had outstanding interest-bearing bank borrowings of approximately HK\$58.6 million, which were secured by the Group’s buildings and right-of-use assets of approximately HK\$59.3 million and HK\$129.6 million respectively. As at the Latest Practicable Date, the Group had unutilised banking facilities of HK\$63.6 million.

### **Lease Liabilities**

As at 31 May 2020, which was the latest practicable date for the purpose of determining the amount of indebtedness, the Group had current lease liabilities of approximately HK\$197.9 million and non-current lease liabilities of approximately HK\$465.5 million.

Save as aforesaid or otherwise mentioned herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 May 2020, the Group did not have any other outstanding borrowings, loan capital, bank overdrafts, debt securities or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

### 3. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseeable circumstances, after taking into account the present available resources, banking facilities available to the Group and the internally generated funds, the Group will have sufficient working capital to satisfy its requirements for at least next 12 months following the date of this circular.

### 4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a leading chain restaurant operator in Hong Kong, through the operation of Cha Chaan Teng (茶餐廳), offering customers a distinct, yet authentically Hong Kong-style, cuisine that combines traditional Cantonese fare with Western and Asian elements. In addition, the Group has also actively exploring new markets, including the opening of Nijuuichi Don (廿一堂), a Japanese rice bowl specialty restaurant, and launching services such as “Supreme Catering (至尊到會)” and “Tsui Wah Delivery”, so as to diversify its business.

Looking ahead, the outlook for the global economy is expected to continue to be filled with unfavourable factors such as the global spreading of the COVID-19. Although facing many challenges in the external environment, the Group will continue to actively enhance its operational efficiency and reorganize its business, including revision and adjustment of the Group’s restaurant network, and to broaden its take-away platform, develop new brands and explore other new business models to cope with the change in the market. In term of costs control, the Group will put in additional effort with a view to identifying all feasible solutions or approach that could reduce operating costs including but not limited to negotiating with the landlords for a more competitive rent. The Board does not expect to have a significant adverse impact on the Group’s overall operations and cash flows.

As disclosed in the section headed “REASONS FOR AND BENEFITS OF ENTERING INTO THE LICENCE AGREEMENT” in the Letter from the Board, the consideration under the Licence Agreement was determined by way of tender which was submitted to the Airport Authority in mid-2019 and had been prepared by the Group by reference to the indicators such as passenger flow of the Hong Kong International Airport of approximately 74.6 million passengers in 2018 and approximately 71.5 million passengers in 2019, and the past operating performance and customer flow of the Group’s restaurant at the Catering Concession. The Board considers that bidding for this Catering Concession would at least bring stable income to the Group. Due to various factors such as the outbreak of the COVID-19 across the world after the successful bidding by the Group, the Group has made friendly negotiations with the Airport Authority during the period, including discussion and consideration of postponing the Commencement Date, to deal with the impact of global epidemic on airport’s passenger flow. The Group understands that although the Airport Authority considers that it is difficult to accurately predict the speed of air traffic recovery after the end of the epidemic at this stage, it is, however, expected that passenger traffic will gradually recover to the level before the epidemic. As a result, the Group will duly perform the Licence Agreement based on its spirit of compliance. The Group will continue to closely monitor the airport’s passenger traffic situation and the global epidemic situation, and then actively communicate with the Airport Authority to make feasible plans.

The Board believes that, as a result of the global outbreak of the COVID-19, the Group's performance for the financial year ending 31 March 2021 would be inevitably affected. However, the Board does not expect to have a significant adverse impact on the Group's overall operations and cash flows.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and the Chief Executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or the Chief Executive were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules were as follows:

### Long positions in the Shares

Name of Directors	Capacity/Nature of interest	Number of Shares	Approximate percentage of issued share capital of the Company
Mr. Lee Yuen Hong <sup>(1)</sup>	Interests held jointly with other persons and interest in a controlled corporation <sup>(2)</sup>	878,956,000 (L)	62.28%
Mr. Lee Kun Lun Kenji	Beneficial interest	136,000 (L)	0.01%

*Notes:*

- (1) Pursuant to a deed of confirmation dated 5 November 2012 and entered into among Mr. Lee, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung (all the latter four individuals being former Directors) (the “**Deed of Confirmation**”), the parties thereto have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be made in accordance with the unanimous consent of all of them.

Each of Mr. Lee, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung shall exercise their respective voting rights in the Company in the same way. Hence, each of Mr. Lee, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung is deemed to be interested in all the Shares held or deemed to be held by them in aggregate by virtue of the SFO.

- (2) Of the 878,956,000 Shares, 770,092,000 Shares were held by Cui Fa, 65,408,000 Shares were held by Ample Favour Limited and 43,456,000 Shares were held by Victor Leap Limited. As at the Latest Practicable Date, Cui Fa was held as to approximately 49.90%, 36.12% and 13.98% by Mr. Lee, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively and Mr. Lee, Mr. Ho Ting Chi, Mr. Cheung Yu To and Mr. Lee Kun Lun Kenji were the directors of Cui Fa. The issued share capital of Ample Favour Limited was held by Mr. Cheung Wai Keung and the issued share capital of Victor Leap Limited was held by Mr. Cheung Yue Pui.
- (3) These percentages are calculated on the basis of 1,411,226,450 Shares in issue as at Latest Practicable Date.

Abbreviation: “L” stands for long position

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the Chief Executive had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which, (a) were notified to the Company and the Stock Exchange pursuant to provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors or the Chief Executive have taken or deemed to have under such provisions of the SFO); or (b) were, pursuant to section 352 of the SFO, entered in the register referred to therein; or (c) were, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

#### Long positions in the Shares

Name of Shareholders	Capacity/Nature of interest	Number of Shares	Approximate percentage of issued share capital in the Company <sup>(8)</sup>
Ms. Chan Choi Fung <sup>(1)</sup>	Interest of a spouse	878,956,000 (L)	62.28%
Mr. Ho Ting Chi <sup>(2)</sup>	Interests held jointly with other persons and interest in a controlled corporation	878,956,000 (L)	62.28%
Mr. Cheung Yu To <sup>(2)</sup>	Interests held jointly with other persons and interest in a controlled corporation	878,956,000 (L)	62.28%
Mr. Cheung Yue Pui <sup>(2)</sup>	Interests held jointly with other persons and interest in a controlled corporation	878,956,000 (L)	62.28%
Mr. Cheung Wai Keung <sup>(2)</sup>	Interests held jointly with other persons and interest in a controlled corporation	878,956,000 (L)	62.28%
Ms. Woo Chun Li <sup>(3)</sup>	Interest of a spouse	878,956,000 (L)	62.28%
Ms. Tai Ngan Har Talia <sup>(4)</sup>	Interest of a spouse	878,956,000 (L)	62.28%
Ms. Lam Hiu Man <sup>(5)</sup>	Interest of a spouse	878,956,000 (L)	62.28%
Ms. Lui Ning <sup>(6)</sup>	Interest of a spouse	878,956,000 (L)	62.28%
Cui Fa <sup>(7)</sup>	Beneficial owner	770,092,000 (L)	54.57%



*Notes:*

- (1) Ms. Chan Choi Fung is the wife of Mr. Lee. Under the SFO, Ms. Chan Choi Fung is taken to be interested in the same number of Shares in which Mr. Lee is interested and is deemed to be interested.
- (2) Pursuant to the Deed of Confirmation, Mr. Lee, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung have agreed to jointly control their respective interests in the Company and decisions as to the business and operations of the Group shall be made in accordance with the unanimous consent of all of them. Each of Mr. Lee, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung shall exercise their respective voting rights in the Company in the same way. Hence, each of Mr. Lee, Mr. Ho Ting Chi, Mr. Cheung Yue Pui, Mr. Cheung Yu To and Mr. Cheung Wai Keung is deemed to be interested in all the Shares held and deemed to be held by them in aggregate by virtue of the SFO.
- (3) Ms. Woo Chun Li is the wife of Mr. Cheung Wai Keung. Under the SFO, Ms. Woo Chun Li is taken to be interested in the same number of Shares in which Mr. Cheung Wai Keung is interested and is deemed to be interested.
- (4) Ms. Tai Ngan Har Talia is the wife of Mr. Ho Ting Chi. Under the SFO, Ms. Tai Ngan Har Talia is taken to be interested in the same number of Shares in which Mr. Ho Ting Chi is interested and is deemed to be interested.
- (5) Ms. Lam Hiu Man is the wife of Mr. Cheung Yue Pui. Under the SFO, Ms. Lam Hiu Man is taken to be interested in the same number of Shares in which Mr. Cheung Yue Pui is interested and is deemed to be interested.
- (6) Ms. Lui Ning is the wife of Mr. Cheung Yu To. Under the SFO, Ms. Lui Ning is taken to be interested in the same number of Shares in which Mr. Cheung Yu To is interested and is deemed to be interested.
- (7) As at the Latest Practicable Date, Cui Fa was held as to approximately 49.90%, 36.12% and 13.98% by Mr. Lee, Mr. Ho Ting Chi and Mr. Cheung Yu To, respectively.
- (8) These percentages are calculated on the basis of 1,411,226,450 Shares in issue as at Latest Practicable Date.

Abbreviations: "L" stands for long position

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, there was no other person, other than the Directors or chief executive of the Company and (in the case of the other members of the Group) other than the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Mr. Lee and Mr. Lee Kun Lun Kenji are currently directors of Cui Fa. As at the Latest Practicable Date, save as disclosed above, so far as is known to the Directors, none of the Directors held offices in the substantial Shareholders.

#### 4. ARRANGEMENTS AND MATTERS CONCERNING DIRECTORS AND MEMBERS

Save for the following transactions, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director or his or her connected entities had a material interest, whether directly or indirectly:

##### (i) Des Voeux Road Central Tsui Wah Restaurant

On 22 March 2018, Joy Express Limited (“**Joy Express**”) (as landlord) and Tsui Wah Catering Limited, an indirect wholly-owned subsidiary of the Company (as tenant) entered into a new lease agreement to renew the tenancy in respect of the premises located at G/F and the basement, Cheong K. Building, 84–86 Des Voeux Road Central, Central, Hong Kong for a term of three years from 1 April 2018 to 31 March 2021 and at an annual rent of HK\$13,281,000.

As Joy Express is owned as to 40% by Mr. Lee, Joy Express is, therefore, an associate of Mr. Lee and thus a connected person of the Company under the Listing Rules.

##### (ii) Aberdeen Tsui Wah Restaurant

On 22 March 2018, Champion Stage Limited (“**Champion Stage**”) (as landlord) and Royal Gold International Limited, an indirect wholly-owned subsidiary of the Company (as tenant) entered into a new lease agreement to renew the tenancy in respect of the premises located at Shops 1, 2, 3 and 10 on Lower Ground Floor, Comfort Centre, No. 108 Old Main Street, Aberdeen and No. 18 Yue Fai Road, Hong Kong for a term of three years from 1 April 2018 to 31 March 2021 at an annual rent of HK\$2,223,000.

As Champion Stage is owned as to 50% by Mr. Lee, Champion Stage is, therefore, an associate of Mr. Lee and thus a connected person of the Company under the Listing Rules.

##### (iii) Hung To Road Tsui Wah Restaurant

On 20 April 2020, Success Path Limited (“**Success Path**”) (as landlord) and Ever Million Rich Limited (as tenant) entered into a new lease agreement to renew the tenancy in respect of the premises located at G/F, 1/F and 2/F, Tsui Wah Group Centre, 50 Lai Yip Street, Ngau Tau Kok, Kowloon, Hong Kong for a term of one year from 18 April 2020 to 17 April 2021 at an annual rent of HK\$2,400,000.

As Success Path is owned as to 40% by Mr. Lee, Success Path is, therefore, an associate of Mr. Lee and thus a connected person of the Company under the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have since 31 March 2019 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in a business which competed or might compete with the business of the Company.

## **5. LITIGATION**

As at the Latest Practicable Date, no member of the Group was involved in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

## **6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2019, being the date to which the latest published audited financial statements of the Group were made up, save for the profit warning announced by the Company on 29 April 2020 and 24 June 2020.

## **7. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## **8. MATERIAL CONTRACTS**

No material contracts (not being contract entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding up to and including the Latest Practicable Date.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on any weekday (except public holidays) at the principal place of business of the Company in Hong Kong at Room 1606–1608, 16/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong, from 30 June 2020 to 13 July 2020 (both days inclusive):

- (a) the Licence Agreement;
- (b) the memorandum and articles of association of the Company;
- (c) the annual reports of the Company for the two years ended 31 March 2018 and 2019, respectively and the interim report of the Company for the Period;

- (d) the written approval dated 12 May 2020 from Cui Fa; and
- (e) this circular.

#### 10. MISCELLANEOUS

- (a) The company secretary of the Company is Sir Kwok Siu Man KR (“**Sir Seaman Kwok**”). Sir Seaman Kwok is a fellow member of each of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in England (“**CGI**”), The Institute of Financial Accountants in England, the Institute of Public Accountants in Australia, The Hong Kong Institute of Chartered Secretaries (“**HKICS**”), The Association of Hong Kong Accountants and The Hong Kong Institute of Directors, a Chartered Governance Professional of both CGI and HKICS, and a member of the Hong Kong Securities and Investment Institute. Sir Seaman Kwok also holds other professional qualifications such as arbitration, taxation, financial planning and human resource management. In addition, he has passed the Common Professional Examinations of England and Wales.
- (b) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The Cayman Islands principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (d) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (e) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.