

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHINESE FOOD AND BEVERAGE GROUP LIMITED

華人飲食集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8272)

DISCLOSEABLE TRANSACTION IN RESPECT OF THE TENANCY AGREEMENT

On 15 November 2019, the Tenant (a wholly-owned subsidiary of the Company) and the Landlord entered into the Tenancy Agreement in respect of the leasing of the Premises for a term of two years.

Pursuant to HKFRS 16, the entering into of the Tenancy Agreement as tenant will require the Group to recognise the Premises as the right-of-use assets on its balance sheet, thus the Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules.

Given that one of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 19 of the GEM Listing Rules.

INTRODUCTION

On 15 November 2019, the Tenant (a wholly-owned subsidiary of the Company) and the Landlord entered into the Tenancy Agreement in respect of the leasing of the Premises for a term of two years.

THE TENANCY AGREEMENT

A summary of the principal terms of the Tenancy Agreement is as follows:

Date:	15 November 2019
Parties:	Landlord: Vast Power Investment Limited Tenant: Union Sunworld Limited (a wholly-owned subsidiary of the Company)
	The Landlord is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, each of the Landlord and its ultimate beneficial owner(s) is an Independent Third Party.
Term:	2 years commencing from 15 November 2019 to 14 November 2021
Premises:	Room 906, 9/F., Wings Building, 110–116 Queen's Road Central, Central, Hong Kong
Rental payment:	HK\$30,000 per month (inclusive of Government rates, Government rent, management fees and exclusive of air-conditioning charges), with a rent-free period of one month commencing from 15 November 2019 to 14 December 2019
Deposit:	HK\$60,000, which is equivalent to two months' rental
Termination:	The lease of the Premises will be terminated in accordance with the Tenancy Agreement.

Based on the monthly rental and taking into account the rent-free period of one month under the Tenancy Agreement, the aggregate amount payable by the Tenant under the Tenancy Agreement will be HK\$690,000 and is expected to be financed by the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE TENANCY AGREEMENT

The Group is principally engaged in catering businesses and securities trading.

The Premises will be used as the principal office of the Group. The aggregate rentals payable under the Tenancy Agreement were arrived after arm's length negotiation between the parties to the Tenancy Agreement and determined with reference to, amongst other things, the current market rent payable for property similar to the subject property and of comparable utility. The Directors (including the independent non-executive Directors) are of the view that the abovementioned rentals are fair, reasonable and in line with the market level, and the entry into the Tenancy Agreement is in the interests of the Group and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the entering into of the Tenancy Agreement as tenant will require the Group to recognise the Premises as the right-of-use assets on its balance sheet, thus the Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the GEM Listing Rules.

Given that one of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of the aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the transaction contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company, and is subject to the reporting and announcement requirements under the Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Company”	Chinese Food and Beverage Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on GEM (stock code: 8272)
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party independent of and not connected with the Company and its connected persons (has the meanings as ascribed to it under the GEM Listing Rules)
“Landlord”	Vast Power Investment Limited, a company incorporated in Hong Kong with limited liability
“Premises”	Room 906, 9/F., Wings Building, 110–116 Queen’s Road Central, Central, Hong Kong
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Tenancy Agreement”	the tenancy agreement entered into between the Tenant and the Landlord on 15 November 2019 for the lease of the Premises

“Tenant”	Union Sunworld Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company)
“Term”	2 years commencing from 15 November 2019
“%”	per cent.

By order of the Board
CHINESE FOOD AND BEVERAGE GROUP LIMITED
Chow Cheuk Hang
Executive Director

Hong Kong, 19 November 2019

As at the date of this announcement, Mr. Chow Cheuk Hang and Ms. Wong Hei Man are executive Directors; Mr. Yeung Wai Hung, Peter, Mr. Lau Man Tak and Mr. Ma Stephen Tsz On are independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company’s website at www.cfbgroup.com.hk.