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Kato (Hong Kong) Holdings Limited

嘉濤（香港）控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2189)

DISCLOSEABLE AND CONNECTED TRANSACTIONS RENEWAL OF EXISTING LEASES

**Independent Financial Adviser to the Independent Board Committee
and Independent Shareholders**



結好融資有限公司

GET NICE CAPITAL LIMITED

RENEWAL OF EXISTING LEASES

Reference is made to the sections headed “Connected Transactions” and “Relationship with the Controlling Shareholders” of the Prospectus of the Company dated 30 May 2019.

The Group has been leasing various premises in Hong Kong from its controlling shareholders for the operations of the Group (collectively, the “**Existing Leases**”) for the period from 13 June 2019 to 31 March 2022 (the “**Initial Term**”).

Pursuant to each of the tenancy agreements for the Existing Leases, each tenancy agreement has a provision to renew the lease period for three years upon expiry of the Initial Term, and another provision to renew the lease period for another three years upon expiry of the second term on the same terms and conditions, save for downward adjustment of monthly rental fee where the prevailing market of the relevant premises has been lowered. It also requires a one-year notification period by the landlords, upon the expiration of the two successive terms following the Initial Term, to terminate the leases.

On 17 May 2022, the Group has entered into the Renewal Letters with its controlling shareholders as landlords to renew the Existing Leases on the same terms and conditions as the Existing Leases for the operations of the Group for a period from 1 April 2022 to 31 March 2025.

IMPLICATIONS UNDER THE LISTING RULES

The landlords of the Existing Leases include Mr. Ngai, Ms. Ngai, Mr. Lam Kong, Classic Mate, Kato Elderly Affairs, Kato Property, Perfect Cheer, Shing Kong and Smarts Corporation.

Mr. Ngai and Ms. Ngai are connected persons of the Company by virtue of being executive Directors and controlling shareholders of the Company.

As Mr. Lam Kong is the brother of Mr. Ngai, he is regarded as an associate of Mr. Ngai and therefore is a connected person of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) Classic Mate, Perfect Cheer, Shing Kong and Smarts Corporation are all companies incorporated in Hong Kong with limited liability and wholly owned by Four Rings Property Agency Limited, a company indirectly wholly owned by Ms. Ngai, and (ii) Kato Elderly Affairs and Kato Property are both owned as to 60% by Four Rings Property Agency Limited. As associates of Ms. Ngai, one of the Directors and controlling shareholders of the Company, all of Classic Mate, Perfect Cheer, Shing Kong, Smarts Corporation, Kato Elderly Affairs and Kato Property are connected persons of the Company.

As Mr. Ngai, Ms. Ngai, Mr. Lam Kong, Classic Mate, Kato Elderly Affairs, Kato Property, Perfect Cheer, Shing Kong and Smarts Corporation have been letting and will continue to let the premises to the Group on normal commercial terms, the transactions contemplated under the Renewal Letters are considered as one-off connected transactions of the Company under Chapter 14A of the Listing Rules.

According to HKFRS 16, the Group, as tenant, was required to recognise the leases under the Existing Leases as right-of-use assets and lease liabilities in the consolidated statement of the financial position of the Group. The Company has fully recognised the right-of-use assets of the Existing Leases based on a period of 10 years during the financial year ended 31 March 2020. From accounting perspective, no additional right-of-use assets will be recognised for these Premises when entering into the Renewal Letters.

For the purpose of complying with the requirements of Chapter 14A of the Listing Rules, the transactions under the Renewal Letters are considered as one-off connected transactions and the carrying values of the right-of-use assets of the Existing Leases as at 31 March 2022 in the aggregate amount of approximately HK\$103 million is used for calculating the size tests in connection with the transactions contemplated under the Renewal Letters.

As one or more of the applicable percentage ratios in respect of the Renewal Letters exceed 5% but all are less than 25%, the transactions under the Renewal Letters constitute discloseable and connected transactions for the Company, and is subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under the Listing Rules.

GENERAL

The Independent Board Committee has been formed to advise the Independent Shareholders as to the fairness and the reasonableness of the terms of the Renewal Letters and the transactions contemplated thereunder and as to how to vote at the EGM. The transactions contemplated under the Renewal Letters are subject to the annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

Get Nice Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewal Letters and the transactions contemplated thereunder.

EGM

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Renewal Letters and the transactions contemplated thereunder.

A circular containing, amongst other things, (i) further information of the Renewal Letters together with a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and (ii) the notice of the EGM will be despatched to the Shareholders within 15 Business Days after the date of this announcement, i.e. on or before 3 June 2022 in compliance with the Listing Rules.

BACKGROUND

Reference is made to the sections headed “Connected Transactions” and “Relationship with the Controlling Shareholders” of the Prospectus of the Company dated 30 May 2019.

The Group has been leasing various premises in Hong Kong from its controlling shareholders for the operations of the Group (collectively, the “**Existing Leases**”) for the period from 13 June 2019 to 31 March 2022 (the “**Initial Term**”).

Pursuant to each of the tenancy agreements for the Existing Leases, each tenancy agreement has a provision to renew the lease period for three years upon expiry of the Initial Term, and another provision to renew the lease period for another three years upon expiry of the second term on the same terms and conditions, save for downward adjustment of monthly rental fee where the prevailing market of the relevant premises has been lowered. It also requires a one-year notification period by the landlords, upon the expiration of the two successive terms following the Initial Term, to terminate the leases.

On 17 May 2022, the Group has entered into the Renewal Letters with its controlling shareholders as landlords to renew the Existing Leases on the same terms and conditions as the Existing Leases for the operations of the Group for a period from 1 April 2022 to 31 March 2025.

RENEWAL LETTERS

The principal terms of each of the Renewal Letters are set out below.

(1) **Renewal Letter between Kato Elderly Affairs and Kato Kung (“Kato Elderly Home Tenancy Renewal Letter”)**

Kato Kung, an indirect wholly owned subsidiary of the Company, as tenant, has entered into the Kato Elderly Home Tenancy Renewal Letter with Kato Elderly Affairs as landlord in relation to the leasing of the premises of the Kato Elderly Home, the principal terms of which are set out as follows:

Date:	17 May 2022
Parties:	(i) Kato Kung, as tenant (ii) Kato Elderly Affairs, as landlord
Location of property:	Shops 8–12 on G/F and 1/F, Lakeshore Building, 7 Tseng Choi Street, Tuen Mun, New Territories, Hong Kong

Size of property Approximately 18,680 sq. ft.
(saleable floor area):

Term: 1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Kato Elderly Affairs under the Kato Elderly Home Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$4,845,000, HK\$4,860,000 and HK\$4,860,000, respectively.

Annual rental amounts

The rent payable by the Group to Kato Elderly Affairs under the Kato Elderly Home Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$4,860,000, HK\$4,860,000 and HK\$4,860,000, respectively, which were arrived at after arm's length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the Kato Elderly Home is located.

The rental payments under the Kato Elderly Home Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the Kato Elderly Home Tenancy Renewal Letter is lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the Kato Elderly Home is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises of the Kato Elderly Home from Kato Elderly Affairs.

(2) **Renewal Letter between Kato Property and Kato Kung (“Kato Home for the Aged Tenancy Renewal Letter”)**

Kato Kung, an indirect wholly owned subsidiary of the Company, as tenant, has entered into the Kato Home for the Aged Tenancy Renewal Letter with Kato Property as landlord in relation to the leasing of the premises of the Kato Home for the Aged, the principal terms of which are set out as follows:

Date:	17 May 2022
Parties:	(i) Kato Kung, as tenant (ii) Kato Property, as landlord
Location of property:	1/F, Tung Wai Court, No. 3 Tsing Ling Path, Tuen Mun, New Territories, Hong Kong
Size of property (saleable floor area):	Approximately 12,277 sq. ft.
Term:	1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Kato Property under the Kato Home for the Aged Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$2,382,000, HK\$2,376,000 and HK\$2,376,000, respectively.

Annual rental amounts

The rent payable by the Group to Kato Property under the Kato Home for the Aged Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$2,376,000, HK\$2,376,000 and HK\$2,376,000, respectively, which were arrived at after arm’s length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the Kato Home for the Aged is located.

The rental payments under the Kato Home for the Aged Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the Kato Home for the Aged Tenancy Renewal Letter is lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the Kato Home for the Aged is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises of the Kato Home for the Aged from Kato Property.

(3) Renewal Letter between Classic Mate and Crawfield International (“Fai To Home (On Lai) Tenancy Renewal Letter”)

Crawfield International, an indirect wholly owned subsidiary of the Company, as tenant, has entered into the Fai To Home (On Lai) Tenancy Renewal Letter with Classic Mate as landlord in relation to the leasing of the premises of the Fai To Home (On Lai), the principal terms of which are set out as follows:

Date:	17 May 2022
Parties:	(i) Crawfield International, as tenant (ii) Classic Mate, as landlord
Location of property:	Shops 1–17 on 1/F, On Lai Building, 3 Tsing To Path, Tuen Mun, New Territories, Hong Kong
Size of property (saleable floor area):	Approximately 5,271 sq. ft.
Term:	1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical figures rental amounts paid by the Group to Classic Mate under the Fai To Home (On Lai) Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$1,228,800, HK\$1,236,000 and HK\$1,236,000, respectively.

Annual rental amounts

The rent payable by the Group to Classic Mate under the Fai To Home (On Lai) Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$1,236,000, HK\$1,236,000 and HK\$1,236,000, respectively, which were arrived at after arm's length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the Fai To Home (On Lai) is located.

The rental payments under the Fai To Home (On Lai) Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the Fai To Home (On Lai) Tenancy Renewal Letter is lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the Fai To Home (On Lai) is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises of the Fai To Home (On Lai) from Classic Mate.

(4) Renewal Letter between Perfect Cheer and Crawfield International (“Fai To Home (Tuen Mun) Tenancy Renewal Letter”)

Crawfield International, an indirect wholly owned subsidiary of the Company, as tenant, has entered into the Fai To Home (Tuen Mun) Tenancy Renewal Letter with Perfect Cheer as landlord in relation to the leasing of the premises of the Fai To Home (Tuen Mun), the principal terms of which are set out as follows:

Date:	17 May 2022
Parties:	(i) Crawfield International, as tenant (ii) Perfect Cheer, as landlord
Location of property:	1/F, including Entrance on G/F, Florence Mansion, 6 Tsing Ling Path, Area 4B, Tuen Mun, New Territories, Hong Kong
Size of property (saleable floor area):	Approximately 8,645 sq. ft.
Term:	1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Perfect Cheer under the Fai To Home (Tuen Mun) Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$1,987,200, HK\$2,004,000 and HK\$2,004,000, respectively.

Annual rental amounts

The rent payable by the Group to Perfect Cheer under the Fai To Home (Tuen Mun) Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$2,004,000, HK\$2,004,000 and HK\$2,004,000, respectively, which were arrived at after arm’s length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the Fai To Home (Tuen Mun) is located.

The rental payments under the Fai To Home (Tuen Mun) Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the Fai To Home (Tuen Mun) Tenancy Renewal Letter is lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the Fai To Home (Tuen Mun) is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises of the Fai To Home (Tuen Mun) from Perfect Cheer.

(5) Renewal Letter between Shing Kong and Tsuen Wan Elderly Centre (“Tsuen Wan Centre Tenancy Renewal Letter”)

Tsuen Wan Elderly Centre, an indirect wholly owned subsidiary of the Company, as tenant, has entered into the Tsuen Wan Centre Tenancy Renewal Letter with Shing Kong as landlord in relation to the leasing of the premises of the Tsuen Wan Centre, the principal terms of which are set out as follows:

- Date:** 17 May 2022
- Parties:** (i) Tsuen Wan Elderly Centre, as tenant
(ii) Shing Kong, as landlord
- Location of property:** Shop C1, 1/F, Tsuen Wan Centre Shopping Arcade, 87–105 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong
- Size of property (saleable floor area):** Approximately 15,950 sq. ft.
- Term:** 1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Shing Kong under the Tsuen Wan Centre Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$2,923,200, HK\$2,904,000 and HK\$2,904,000, respectively.

Annual rental amounts

The rent payable by the Group to Shing Kong under the Tsuen Wan Centre Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$2,904,000, HK\$2,904,000 and HK\$2,904,000, respectively, which were arrived at after arm's length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the Tsuen Wan Centre is located.

The rental payments under the Tsuen Wan Centre Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the Tsuen Wan Centre Tenancy Renewal Letter is lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the Tsuen Wan Centre is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises of the Tsuen Wan Centre from Shing Kong.

(6) Renewal Letter between Smarts Corporation and Happy Luck (“Happy Luck Home Tenancy Renewal Letter”)

Happy Luck, an indirect wholly owned subsidiary of the Company, as tenant, has entered into the Happy Luck Home Tenancy Renewal Letter with Smarts Corporation as landlord in relation to the leasing of the premises of the Happy Luck Home, the principal terms of which are set out as follows:

- Date:** 17 May 2022
- Parties:** (i) Happy Luck, as tenant
(ii) Smarts Corporation, as landlord
- Location of property:** 2nd Floor of Phase 1 of Commercial Development of Allway Gardens, Nos. 187–195 Tsuen King Circuit, Nos. 2–22 On Yat Street, Tsuen Wan, New Territories, Hong Kong
- Size of property (saleable floor area):** Approximately 15,729 sq. ft.
- Term:** 1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Smarts Corporation under the Happy Luck Home Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$2,832,200, HK\$2,724,000 and HK\$2,724,000, respectively.

Annual rental amounts

The rent payable by the Group to Smarts Corporation under the Happy Luck Home Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$2,724,000, HK\$2,724,000 and HK\$2,724,000, respectively, which were arrived at after arm's length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the Happy Luck Home is located.

The rental payments under the Happy Luck Home Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the Happy Luck Home Tenancy Renewal Letter is lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the Happy Luck Home is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises of the Happy Luck Home from Smarts Corporation.

(7) Renewal Letter between Mr. Ngai, Mr. Lam Kong and Tsuen Wan Elderly Centre (“Tsuen Wan Staff Quarters Tenancy Renewal Letter”)

Tsuen Wan Elderly Centre, an indirect wholly owned subsidiary of the Company, as tenant, has entered into the Tsuen Wan Staff Quarters Tenancy Renewal Letter with Mr. Ngai and Mr. Lam Kong as landlords in relation to the leasing of the premises of the staff quarters for the Tsuen Wan Centre, the principal terms of which are set out as follows:

Date:	17 May 2022
Parties:	(i) Tsuen Wan Elderly Centre, as tenant (ii) Mr. Ngai and Mr. Lam Kong, as landlords
Location of property:	Flat C, 24/F, Block 9 (Nanking House), Tsuen Wan Centre, 89 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong
Size of property (saleable floor area):	Approximately 425 sq. ft.
Term:	1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Mr. Ngai and Mr. Lam Kong under the Tsuen Wan Staff Quarters Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$145,920, HK\$146,400 and HK\$146,400, respectively.

Annual rental amounts

The rent payable by the Group to Mr. Ngai and Mr. Lam Kong under the Tsuen Wan Staff Quarters Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$146,400, HK\$146,400 and HK\$146,400, respectively, which were arrived at after arm's length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the staff quarters of the Tsuen Wan Centre are located.

The rental payments under the Tsuen Wan Staff Quarters Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the Tsuen Wan Staff Quarters Tenancy Renewal Letter is equal or lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the staff quarters for the Tsuen Wan Centre is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises from Mr. Ngai and Mr. Lam Kong.

(8) Renewal Letter between Ms. Ngai, Kato Elderly Affairs and Kato Kung (“Kato Staff Quarters Tenancy Renewal Letter”)

Kato Kung, an indirect wholly owned subsidiary of the Company, as tenant, has entered into the Kato Staff Quarters Tenancy Renewal Letter with Ms. Ngai and Kato Elderly Affairs as landlords in relation to the leasing of the premises of the staff quarters for the Kato Elderly Home and Kato Home for the Aged, the principal terms of which are set out as follows:

Date:	17 May 2022
Parties:	(i) Kato Kung, as tenant (ii) Ms. Ngai and Kato Elderly Affairs, as landlords
Location of property:	Rooms C and D on 2/F and Flat Roof, Lakeshore Building, 7 Tseng Choi Street, Tuen Mun, New Territories, Hong Kong
Size of property (saleable floor area):	Approximately 8,257 sq. ft.
Term:	1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Ms. Ngai and Kato Elderly Affairs under the Kato Staff Quarters Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$321,120, HK\$356,400 and HK\$356,400, respectively.

Annual rental amounts

The rent payable by the Group to Ms. Ngai and Kato Elderly Affairs under the Kato Staff Quarters Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$356,400, HK\$356,400 and HK\$356,400, respectively, which were arrived at after arm's length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the staff quarters for the Kato Elderly Home and Kato Home for the Aged are located.

The rental payments under the Kato Staff Quarters Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the the Kato Staff Quarters Tenancy Renewal Letter is lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the staff quarters for the Kato Elderly Home and Kato Home for the Aged is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises from Ms. Ngai and Kato Elderly Affairs.

(9) Renewal Letter between Ms. Ngai, Happy Luck, Jane’s Home, Oriental Chinese and Tsuen Wan Elderly Centre (“Staff Quarters Tenancy Renewal Letter”)

Happy Luck, Jane’s Home, Oriental Chinese and Tsuen Wan Elderly Centre, all indirect wholly owned subsidiaries of the Company, as tenants, have entered into the Staff Quarters Tenancy Renewal Letter with Ms. Ngai as landlord in relation to the leasing of the premises of the staff quarters for the Happy Luck Home, Pine Villa, Fai To Sino West Home and Tsuen Wan Centre, the principal terms of which are set out as follows:

- Date:** 17 May 2022
- Parties:** (i) Happy Luck, Jane’s Home, Oriental Chinese and Tsuen Wan Elderly Centre, as tenants
(ii) Ms. Ngai, as landlord
- Location of property:** 3/F, Four Sea Mansion, 11 Fa Yuen Street, Mongkok, Hong Kong
- Size of property (saleable floor area):** Approximately 799 sq. ft.
- Term:** 1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Ms. Ngai under the Staff Quarters Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$255,359, HK\$254,400 and HK\$254,400, respectively.

Annual rental amounts

The rent payable by the Group to Ms. Ngai the tenancy under the Staff Quarters Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$254,400, HK\$254,400 and HK\$254,400, respectively, which were arrived at after arm's length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the staff quarters for the Happy Luck Home, Pine Villa, Fai To Sino West Home and Tsuen Wan Centre are located.

The rental payments under the Staff Quarters Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the Staff Quarters Tenancy Renewal Letter is equal or lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the staff quarters for the Happy Luck Home, Pine Villa, Fai To Sino West Home and Tsuen Wan Centre is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises from Ms. Ngai.

(10) Renewal Letter between Ms. Ngai and Oriental Chinese (“Fai To Sino West Staff Quarters Tenancy Renewal Letter”)

Oriental Chinese, our indirect wholly owned subsidiary of the Company, as tenant, has entered into the Fai To Sino West Staff Quarters Tenancy Renewal Letter with Ms. Ngai as landlord in relation to the leasing of the premises of the staff quarters for the Fai To Sino West Home, the principal terms of which are set out as follows:

Date:	17 May 2022
Parties:	(i) Oriental Chinese, as tenant (ii) Ms. Ngai, as landlord
Location of property:	Room 10, 3/F, Tung Shun Hing Building, 22 Chi Kiang Street, Kowloon, Hong Kong
Size of property (saleable floor area):	Approximately 266 sq. ft.
Term:	1 April 2022 to 31 March 2025 (subject to renewal)

Historical rental amounts

The historical rental amounts paid by the Group to Ms. Ngai under the Fai To Sino West Staff Quarters Tenancy Agreement (as defined in the Prospectus) for the three years ended 31 March 2020, 2021 and 2022 was HK\$60,000, HK\$60,000 and HK\$60,000, respectively.

Annual rental amounts

The rent payable by the Group to Ms. Ngai under the Fai To Sino West Staff Quarters Tenancy Renewal Letter, for each of the years ending 31 March 2023, 2024 and 2025, is HK\$60,000, HK\$60,000 and HK\$60,000, respectively, which were arrived at after arm’s length negotiations between the parties and with reference to an exhaustive list of prevailing market rent for similar properties in neighboring areas at which the staff quarters for the Fai To Sino West Home are located.

The rental payments under the Fai To Sino West Staff Quarters Tenancy Renewal Letter are expected to be satisfied by the internal resources of the Group in its usual and ordinary course of business.

The Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser), having taken into account (i) the rent payable under the the Fai To Sino West Staff Quarters Tenancy Renewal Letter is lower than the fair market rent of the premises; and (ii) the associated costs which the Group may incur if the premises of the staff quarters for the Fai To Sino West Home is replaced by another property let from an Independent Third Party, including but not limited to demolition cost, renovation cost of the new premises, moving cost of existing furniture, facilities and equipment, and relocation cost of existing elderly residence to other elderly homes for temporary stay, consider that it is desirable and in the interests of the Company and the Shareholders as a whole to continue renting the premises from Ms. Ngai.

PRICING POLICY

The Group shall determine the rent payable for each of the Renewal Letters after arm's length negotiations with the respective landlords based on normal commercial principles with reference to the prevailing market rent of leases of comparable premises, the historical quotations to other Independent Third Parties by the respective landlords for similar leases, and other factors such as floor area, facilities and location.

To ensure the rent payable under each of the Renewal Letters is fair and reasonable and not less favourable than the rent payable to Independent Third Parties in respect of the same or similar premises, the management of the Company will follow the below procedures:

- (i) search for actual rental transactions of the same premises, premises in the same building and premises in the neighboring area (where such transactions are not available, refer to real estate industry publications describing price trends in the relevant areas);
- (ii) compare the said market rent (or price trends, where applicable) with the rent payable under the Renewal Letters; and
- (iii) in cases where rent payable offer by the respective landlords under any of the Renewal Letters is higher than the prevailing market rent of the relevant premises, request such landlord(s) to reduce the rent payable.

RIGHT-OF-USE ASSET

According to HKFRS 16, the Group, as tenant, was required to recognise the leases under the Existing Leases as right-of-use assets and lease liabilities in the consolidated statement of the financial position of the Group. The Company has fully recognised the right-of-use assets of the Existing Leases based on a period of 10 years during the financial year ended 31 March 2020. From accounting perspective, no additional right-of-use assets will be recognised for these Premises when entering into the Renewal Letters.

The Company recognised the value of the right-of-use assets of the Existing Leases based on a 10-year period (with non-cancellable period of three years and optional period of seven years) during the year ended 31 March 2020 due to the following reasons:

- (i) the tenancy agreements of the Existing Leases contain the provision to renew the leases for three years upon expiry of the Existing Leases, and another provision to renew the leases for another three years without further negotiation with the landlords, together with a one-year notice period to terminate the leases by the landlords. The renewal of the leases are at the sole discretion of the Group. Hence, the Group has the right to use the relevant Premises for 10 years in total should it desire to do so, subject to the compliance with the applicable requirements of the Listing Rules;
- (ii) given the Premises are mainly used as elderly homes and it is not ideal to move elderlies around, especially if they require special care services. The time and cost incurred for re-location of elderlies is high, hence it is in the commercial interests and beneficial to the Group to continue to lease the Premises on reasonable terms and keep its elderly homes at the existing locations; and
- (iii) the Group has indicated its intention to renew the Existing Leases with the landlords on the same terms and conditions upon the expiry of the non-cancellable period of three years, and to renew another three years upon the second term.

As at 31 March 2022, the total carrying values of the right-to-use assets related to the leases under the Renewal Letters is approximately HK\$103 million, which represents the present value of the aggregate lease payments to be made by the Group for the remaining seven years of lease term and calculated by discounting the lease payments by the incremental borrowing rate.

Shareholders should note that the above disclosed carrying values of right-of-use assets is unaudited and may be subject to adjustment in the future.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWAL LETTERS

The Group has been occupying the premises under the Existing Leases for its business and operation since the respective commencement date of the Existing Leases. In order to ensure that the business and operation of the Group will not be affected upon the expiration of the Existing Leases on 31 March 2022, the Group entered into the Renewal Letters with the respective landlords on 17 May 2022 for a term of three years from 1 April 2022 to 31 March 2025.

The Group has also engaged an independent property valuer to assess the fair market rent of the Premises which were of the opinion that the rental payments under the Renewal Letters are fair and reasonable, compared with the open market rent of similar properties at the vicinity of each of the Premises.

It has always been the intention of the Group to enter into the Renewal Letters prior to the expiration of the Initial Term. However, when preparing the relevant documents in relation to the Renewal Letters, the Company had various discussions with professional parties including legal advisers and the sponsor to the IPO of the Company since January 2022 on the calculation of the size tests of the transactions under the Renewal Letters using the residual value of the right-of-use assets. To ensure full compliance with the Listing Rules, the Company did not rush to enter into the Renewal Letters and sought for the view of the Stock Exchange. The Landlords have agreed to let the Group continue occupying the Premises until the Renewal Letters are signed and allow the Group to pay the outstanding rental amounts incurred after the expiry of the Initial Term upon the signing of the Renewal Letters.

In view of the above, the Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser) consider that the terms of each of the Renewal Letters and the transactions contemplated thereunder, are fair and reasonable; and each of the Renewal Letters and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Group and its Shareholders as a whole.

INTERNAL CONTROL MEASURES

In order to ensure that the pricing basis is adhered to for each of the Renewal Letters and the connected transactions under the Renewal Letters are in compliance with the requirements of the Listing Rules, the Company has adopted the following internal control measures:

- (i) the relevant operation departments and management of the Group have examined the proposed rent under the Renewal Letters in order to ensure that such rent is determined based on arm's length negotiations between the parties and the terms of the Tenancy Agreements and/or the Renewal Letters are fair and reasonable, on normal commercial terms and on terms that are no less favourable to the Group than those available from Independent Third Parties;
- (ii) the finance department of the Group has reviewed whether the proposed rent payable under each of the Renewal Letters is in line with the pricing policy;
- (iii) the Group has complied with the requirements under the connected transaction rules of the Listing Rules for the annual review by the independent auditor and the independent non-executive directors in respect of the transactions contemplated under the Renewal Letters; and
- (iv) the Company's responsible management with assistance from external legal, accounting or other professional advisers continues to oversee and monitor the Company's on-going compliance with the Listing Rules in relation to the Group's lease arrangements.

By implementing the above measures, the Directors (excluding the independent non-executive Directors who shall provide their views after taking the advice from the Independent Financial Adviser) consider that the Group has appropriate internal control procedures to ensure that the transactions under the Renewal Letters will be conducted on normal commercial terms and in the interests of the Group and its Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Group is an established operator of residential care homes for the elderly in Hong Kong offering a wide range of residential care and day care services for the elderly including (i) the provision of accommodation, professional nursing and care-taking services, nutritional management, medical services, physiotherapy and occupational therapy services, psychological and social care services, individual care plans and recreational services; (ii) the sale of healthcare and medical goods and the provision of add-on healthcare services to the residents; and (iii) provision of elderly community care services.

Mr. Ngai and Ms. Ngai are executive Directors and controlling shareholders of the Company. Mr. Lam Kong is the brother of Mr. Ngai.

Classic Mate, Perfect Cheer, Shing Kong and Smarts Corporation are all companies incorporated in Hong Kong with limited liability and wholly owned by Four Rings Property Agency Limited, a company indirectly wholly owned by Ms. Ngai. Classic Mate, Perfect Cheer, Shing Kong and Smarts Corporation are principally engaged in properties investment holding.

Kato Elderly Affairs and Kato Property are both companies incorporated in Hong Kong with limited liability and owned as to 60% by Four Rings Property Agency Limited, a company indirectly wholly owned by Ms. Ngai. Kato Elderly Affairs and Kato Property are principally engaged in properties investment holding.

Four Rings Property Agency Limited is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Ngai and Ms. Ngai are connected persons of the Company by virtue of being executive Directors and controlling shareholders of the Company.

As Mr. Lam Kong is the brother of Mr. Ngai and is regarded as an associate of Mr. Ngai and therefore is a connected person of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) Classic Mate, Perfect Cheer, Shing Kong and Smarts Corporation are all companies incorporated in Hong Kong with limited liability and wholly owned by Four Rings Property Agency Limited, a company indirectly wholly owned by Ms. Ngai, and (ii) Kato Elderly Affairs and Kato Property are both owned as to 60% by Four Rings Property Agency Limited, a company indirectly wholly owned by Ms. Ngai. As associates of Ms. Ngai, one of the Directors and controlling shareholders of the Company, all of Classic Mate, Perfect Cheer, Shing Kong, Smarts Corporation, Kato Elderly Affairs and Kato Property are connected persons of the Company.

As Mr. Ngai, Ms. Ngai, Mr. Lam Kong, Classic Mate, Kato Elderly Affairs, Kato Property, Perfect Cheer, Shing Kong and Smarts Corporation have been letting and will continue to let the Premises to the Group on normal commercial terms, the transactions contemplated under the Renewal Letters are considered as one-off connected transactions of the Company under Chapter 14A of the Listing Rules.

The carrying values of the right-of-use assets of the Existing Leases as at 31 March 2022 in the aggregate amount of approximately HK\$103 million is used for calculating the size tests in connection with the transactions contemplated under the Renewal Letters.

As one or more of the applicable percentage ratios in respect of the Renewal Letters exceed 5% but all are less than 25%, the transactions under the Renewal Letters constitute discloseable and connected transactions for the Company, and is subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under the Listing Rules.

Mr. Ngai and Ms. Ngai, being executive Directors and controlling shareholders of the Company, are considered to be interested in the transactions contemplated under the Renewal Letters. Accordingly, both Mr. Ngai and Ms. Ngai have abstained from voting on the board resolution of the Company to approve the Renewal Letters.

Mr. Ngai, Ms. Ngai and their respective associates are interested in the Renewal Letters and are therefore required to abstain from voting on the relevant resolution to approve the Renewal Letters.

Save as disclosed above, no Shareholder has a material interest in the Renewal Letters and the transactions contemplated thereunder and is required to abstain from voting on the relevant resolutions at the EGM.

GENERAL

The Independent Board Committee has been formed to advise the Independent Shareholders as to the fairness and the reasonableness of the terms of the Renewal Letters and the transactions contemplated thereunder and as to how to vote at the EGM. The transactions contemplated under the Renewal Letters are subject to the annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

Get Nice Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewal Letters for the transactions contemplated thereunder.

EGM

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Renewal Letters for the transactions contemplated thereunder.

A circular containing, amongst other things, (i) further information of the Renewal Letters together with a letter of advice from the Independent Board Committee to the Independent Shareholders, a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and (ii) the notice of the EGM will be despatched to the Shareholders within 15 Business Days after the date of this announcement, i.e. on or before 3 June 2022 in compliance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Classic Mate”	Classic Mate Limited (嘉益有限公司), a company incorporated in Hong Kong with limited liability, indirectly wholly owned by Ms. Ngai and is an associate of Ms. Ngai
“Company”	Kato (Hong Kong) Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Crawfield International”	Crawfield International Limited (嘉豐國際有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Group
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to approve the Renewal Letters
“Fai To Home (On Lai)”	Fai-To Home for the Aged (On Lai) Branch (輝濤護老院(安麗分院)), our care and attention home for the elderly with LORCHE No. 0584, the operating address of which is at Shop 1-17 on 1/F, including Entrance on G/F, On Lai Building, 3 Tsing To Path, Tuen Mun, New Territories, Hong Kong

“Fai To Home (Tuen Mun)”	Fai To Home for the Aged (Tuen Mun) Branch (輝濤護老院屯門分院), our care and attention home for the elderly with LORCHE No. 0077, the operating address of which is at 1/F, including Entrance on G/F, Florence Mansion, 6 Tsing Ling Path, Area 4B, Tuen Mun, New Territories, Hong Kong
“Fai To Sino West Home”	Fai To Sino West Combined Home for the Aged (輝濤中西結合安老院), our care and attention home for the elderly with LORCHE No. 0923, the operating address of which is at Part of Shop 1 on G/F, 1/F & 2/F, (3A–3C), 5A–5F Ma Hang Chung Road & 55–65 Pau Chung Street, To Kwa Wan, Kowloon, Hong Kong
“Group”	the Company and its subsidiaries
“Happy Luck”	Happy Luck Elderly Home Limited (荃威安老院有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Group
“Happy Luck Home”	Happy Luck Elderly Home Limited (荃威安老院有限公司), our care and attention home for the elderly with LORCHE No. 1331, the operating address of which is at 2nd Floor of Phase 1 of Commercial Development of Allway Gardens, Nos. 187–195 Tsuen King Circuit, Nos. 2–22 On Yat Street, Tsuen Wan, New Territories, Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Board consisting of all independent non-executive Directors, namely Ms. Chiu Lai Kuen Susanna, Mr. Or Kevin and Mr. Wong Vinci, established for the purpose of advising the Independent Shareholders as to the fairness and reasonableness of the Renewal Letters and the transactions contemplated thereunder
“Independent Financial Adviser”	Get Nice Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders

“Independent Shareholders”	Shareholders other than Mr. Ngai, Ms. Ngai and their respective associates and Shareholders who are connected to or otherwise associated with Mr. Ngai, Ms. Ngai or interested in the Renewal Letters
“Independent Third Party(ies)”	persons who are not connected persons of the Company and are third parties independent of and not connected with the Company and its connected persons
“Jane’s Home”	Jane’s Home Limited (頤樂居有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Group
“Kato Elderly Affairs”	Kato Elderly Affairs Limited (嘉濤安老有限公司), a company incorporated in Hong Kong with limited liability, indirectly owned as to 60% by Ms. Ngai and is an associate of Ms. Ngai
“Kato Elderly Home”	Kato Home for the Elderly (嘉濤耆樂苑), our care and attention home for the elderly with LORCHE No. 0787, the operating address of which is at Shop 8–12 on G/F & 1/F, Lakeshore Building, 7 Tseng Choi Street, Tuen Mun, New Territories, Hong Kong
“Kato Home for the Aged”	Kato Home for the Aged (嘉濤耆康之家), our care and attention home for the elderly with LORCHE No. 0668, the operating address of which is at 1/F, Tung Wai Court, No. 3 Tsing Ling Path, Tuen Mun, New Territories, Hong Kong
“Kato Kung”	Kato Kung Limited (嘉濤宮有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Group
“Kato Property”	Kato Property Limited (嘉濤置業有限公司), a company incorporated in Hong Kong with limited liability, indirectly owned as to 60% by Ms. Ngai and is an associate of Ms. Ngai
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lam Kong”	Mr. Lam Kong, the brother of Mr. Ngai and an associate of Mr. Ngai
“Mr. Ngai”	Mr. Ngai Shi Shing Godfrey, an executive Director and a controlling shareholder of the Company

“Ms. Ngai”	Ms. Ngai Ka Yee, an executive Director and a controlling shareholder of the Company
“Oriental Chinese”	Oriental Chinese Medicine Limited (東方中醫藥有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Group
“Perfect Cheer”	Perfect Cheer Investment Limited (冠時投資有限公司), a company incorporated in Hong Kong with limited liability, indirectly wholly owned by Ms. Ngai and is an associate of Ms. Ngai
“Pine Villa”	Pine Villa (康城松山府邸), our care and attention home for the elderly with LORCHE No. 1310, the operating address of which is at Portion of Level 5, The Capitol, Lohas Park Road, Tseung Kwan O, New Territories, Hong Kong
“Premises”	the premises under the Renewal Letters
“Prospectus”	prospectus of the Company dated 30 May 2019
“Renewal Letters”	collectively, (i) the Kato Elderly Home Tenancy Renewal Letter, (ii) Kato Home for the Aged Tenancy Renewal Letter, (iii) Fai To Home (On Lai) Tenancy Renewal Letter, (iv) Fai To Home (Tuen Mun) Tenancy Renewal Letter, (v) Tsuen Wan Centre Tenancy Renewal Letter, (vi) Happy Luck Home Tenancy Renewal Letter, (vii) Tsuen Wan Staff Quarters Tenancy Renewal Letter, (viii) Kato Staff Quarters Tenancy Renewal Letter, (ix) Staff Quarters Tenancy Renewal Letter and (x) Fai To Sino West Staff Quarters Tenancy Renewal Letter
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shing Kong”	Shing Kong Limited (罌成有限公司), a company incorporated in Hong Kong with limited liability, indirectly wholly owned by Ms. Ngai and is an associate of Ms. Ngai
“Smarts Corporation”	Smarts Corporation Limited (仕茂有限公司), a company incorporated in Hong Kong with limited liability, indirectly wholly owned by Ms. Ngai and is an associate of Ms. Ngai

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tsuen Wan Centre”	Tsuen Wan Elderly Centre Limited (荃灣老人中心有限公司), our care and attention home for the elderly with LORCHE No. 1223, the operating address of which is at Shop C1, 1/F, Tsuen Wan Centre Shopping Arcade, 87–105 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong
“Tsuen Wan Elderly Centre”	Tsuen Wan Elderly Centre Limited (荃灣老人中心有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

* *The English transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

By order of the Board
Kato (Hong Kong) Holdings Limited
Ngai Shi Shing Godfrey
Chairman and executive Director

Hong Kong, 17 May 2022

As at the date of this announcement, the executive Directors are Ms. Ngai Ka Yee and Mr. Ngai Shi Shing Godfrey; the non-executive Director is Mr. Cheng Man Tak Richard and Mr. Poon Kai Kit Joe; and the independent non-executive Directors are Ms. Chiu Lai Kuen Susanna, Mr. Or Kevin and Mr. Wong Vinci.