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Tsui Wah Holdings Limited
翠華控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1314)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

FINANCIAL HIGHLIGHTS

	Six-month period ended 30 September		% Change
	2022 (Unaudited) ***HK$'000***	2021 (Unaudited) *HK$'000*	
Revenue	**414,564**	522,486	(20.7)%
Hong Kong#	**241,001**	261,790	(7.9)%
Mainland China	**170,953**	256,028	(33.2)%
Others*	**2,610**	4,668	(44.1)%
EBITDA^	**161,277**	101,409	59.0%
Profit/(Loss) attributable to owners of the Company	**40,867**	(30,428)	234.3%
Basic earnings/(loss) per share	**HK2.96 cents**	HK(2.21) cents	234.0%

Number of Restaurants Including Joint Ventures	**As at 30 September 2022**	As at 31 March 2022	As at 30 September 2021
Hong Kong	**37**	35	34
Mainland China	**40**	43	43
Macau	**3**	3	3
Singapore	**4**	4	3

Revenue from external customers located in the Hong Kong Special Administrative Region of the People's Republic of China (the "**PRC**" or "**Mainland China**" and "**Hong Kong**", respectively) did not include revenue derived from the sale of food to a joint venture (the "**JV Revenue**") of the Company (defined hereinafter) and its subsidiaries (collectively, the "**Group**") (six-month period ended 30 September 2021 (the "**Previous Review Period**"): approximately HK$1,007,000 included the JV Revenue).

* Mainly represents revenue derived from the JV Revenue.

^ Means earnings before interest, tax, depreciation and amortisation.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Tsui Wah Holdings Limited (the "**Company**") announces the unaudited consolidated interim results of the Group for the six-month period ended 30 September 2022 (the "**Review Period**") together with relevant comparative audited or unaudited figures. The interim financial information for the Review Period has not been audited, but has been reviewed by the audit committee of the Board (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 September 2022

		Six-month period ended 30 September	
		2022	2021
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*4*	**414,564**	522,486
Other income and other gains		**23,590**	9,688
Gain on disposal of assets held for sale	*5*	**84,244**	–
Cost of inventories sold		**(120,319)**	(147,748)
Staff costs		**(143,605)**	(168,814)
Depreciation and amortisation		**(26,200)**	(33,120)
Depreciation of right-of-use assets		**(85,154)**	(88,716)
Property rentals and related income/(expenses)		**883**	(11,685)
Fuel and utility expenses		**(21,075)**	(25,458)
Selling and distribution expenses		**(24,274)**	(18,804)
Other operating expenses		**(53,152)**	(63,050)
Finance costs		**(8,008)**	(10,247)
Share of profit of joint ventures		**658**	5,107
PROFIT/(LOSS) BEFORE TAX	*6*	**42,152**	(30,361)
Income tax credit/(expense)	*7*	**361**	(4)
PROFIT/(LOSS) FOR THE PERIOD		**42,513**	(30,365)
Attributable to:			
Owners of the Company		**40,867**	(30,428)
Non-controlling interests		**1,646**	63
		42,513	(30,365)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	*9*	**HK2.96 cents**	HK(2.21) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 September 2022

	Six-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE PERIOD	**42,513**	(30,365)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(35,365)**	7,053
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**7,148**	(23,312)
Attributable to:		
Owners of the Company	**5,502**	(23,375)
Non-controlling interests	**1,646**	63
	7,148	(23,312)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	**As at 30 September 2022 (Unaudited) *HK$'000***	As at 31 March 2022 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**195,876**	231,908
Investment properties		**98,632**	110,329
Right-of-use assets	*10*	**335,228**	402,892
Intangible assets		**2,944**	3,205
Investments in joint ventures		**29,262**	35,444
Prepayments and deposits paid in advance for purchases of property, plant and equipment and intangible assets		**814**	814
Non-current deposits and other receivables		**66,586**	72,291
Total non-current assets		**729,342**	856,883
CURRENT ASSETS			
Inventories		**14,374**	14,010
Trade receivables	*11*	**6,061**	5,709
Prepayments, deposits and other receivables		**90,631**	92,907
Tax recoverable		**1,882**	3,529
Pledged time deposits		**–**	569
Restricted cash		**2,500**	15,920
Time deposits		**100,000**	–
Cash and cash equivalents		**213,329**	103,261
		428,777	235,905
Assets classified as held for sale	*5*	**–**	175,130
Total current assets		**428,777**	411,035

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 September 2022

	Notes	**As at 30 September 2022 (Unaudited) *HK$'000***	As at 31 March 2022 (Audited) *HK$'000*
CURRENT LIABILITIES			
Trade payables	*12*	**34,445**	27,311
Other payables and accruals		**145,980**	131,917
Interest-bearing bank borrowings	*13*	**–**	61,738
Lease liabilities		**161,222**	168,547
Tax payable		**5,276**	5,858
Total current liabilities		**346,923**	395,371
NET CURRENT ASSETS		**81,854**	15,664
TOTAL ASSETS LESS CURRENT LIABILITIES		**811,196**	872,547
NON-CURRENT LIABILITIES			
Other payable and accruals		**10,508**	11,169
Interest-bearing bank borrowings	*13*	**–**	4,727
Lease liabilities		**279,524**	345,499
Deferred tax liabilities		**4,345**	4,031
Total non-current liabilities		**294,377**	365,426
Net assets		**516,819**	507,121
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*14*	**14,112**	14,112
Reserves		**512,213**	504,161
		526,325	518,273
Non-controlling interests		**(9,506)**	(11,152)
Total equity		**516,819**	507,121

NOTES TO INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 29 May 2012 as an exempted company with limited liability under the Companies Law, Cap. 22 of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the Review Period, the Company acted as an investment holding company and its subsidiaries were principally engaged in the provision of food catering services through restaurants and bakery shops in Hong Kong, Mainland China, Macau and Singapore.

2. BASIS OF PREPARATION

The interim results set out in the announcement do not constitute the Group's interim report for the six months ended 30 September 2022 but are extracted from that report.

The Interim Financial Statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"),. They have been prepared under the historical cost convention. These Interim Financial Statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise stated.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, as well as income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the the Group's audited annual consolidated financial statements for the year ended 31 March 2022 (the "**2022 Annual Report**"), except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 March 2023.

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the 2022 Annual Report, except as disclosed below.

(a) Changes in accounting policies and disclosures

The Group has applied the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*

- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRS are discussed below.

Amendments to HKAS 16, Property, plant and equipment: Proceeds before intended use

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Group does not sell items produced before an item of property, plant and equipment is available for use.

Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 April 2022, and has concluded that none of them is onerous.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the provision of food catering services through restaurants and bakery shops. Information reported to the Group's management for the purpose of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

The following tables present revenue from external customers for the Review Period and certain non-current assets information as at 30 September 2022 by geographical area.

(a) Revenue from external customers

	Six-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Hong Kong#	**241,001**	261,790
Mainland China	**170,953**	256,028
Others*	**2,610**	4,668
	414,564	522,486

The revenue information above is based on the locations of the customers.

As no revenue derived from sales to a single customer of the Group has accounted for 10% or more of the Group's total revenue during both periods, no information about major customers is presented.

Revenue from external customers located in Hong Kong did not include revenue derived from the sale of food to a joint venture of the Group (the Previous Review Period: approximately HK$1,007,000 was included).

* "Others" mainly represents revenue derived from the sale of food to a joint venture of the Group.

(b) Non-current assets

	As at 30 September 2022 (Unaudited) ***HK$'000***	As at 31 March 2022 (Audited) *HK$'000*
Hong Kong	**269,559**	310,310
Mainland China	**363,935**	438,838
Others	**29,262**	35,444
	662,756	784,592

The non-current assets information above is based on the locations of the assets and excludes non-current deposits and other receivables and deferred tax assets.

4. REVENUE

An analysis of revenue is as follows:

	Six-month period ended 30 September	
	2022 (Unaudited) ***HK$'000***	2021 (Unaudited) *HK$'000*
Revenue		
Income from restaurant operations transferred at a point in time under HKFRS 15	**401,859**	512,656
Sales of food transferred at a point in time under HKFRS 15	**12,705**	9,830
	414,564	522,486

Performance obligation

The performance obligation of revenue from restaurant operations is satisfied upon completion of the service.

The performance obligation from sales of food is satisfied upon delivery of the food and payment is generally due from delivery to 60 days from delivery.

5. GAIN ON DISPOSAL OF ASSETS HELD FOR SALE

On 14 April 2022, the Group entered into a sale and purchase agreement with an independent third party to dispose of its properties, namely (i) Units Nos.1601, 1602, 1603, 1604, 1605, 1606, 1607 and 1608 on the 16th Floor of Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong; and (ii) Units Nos.1701, 1702, 1703 and 1704 on the 17th Floor of Riley House, No.88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (Lot No. 937 IN D.D. 450) at a total consideration of HK$264,044,650, and the transaction was completed on 14 July 2022 (the "**Completion**").

Following the Completion, the Group had recognised a gain on disposal of assets held for sale of approximately HK$844,244,000.

6. PROFIT/(LOSS) BEFORE TAX

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

	Six-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**120,319**	147,748
Depreciation of items of property, plant and equipment	**24,289**	29,716
Depreciation of right-of-use assets	**85,154**	88,716
Depreciation of investment properties	**1,500**	1,761
Amortisation of intangible assets	**411**	1,643
Gain on disposal of assets held for sale *(note 5)*	**(84,244)**	–
Impairment of right-of-use assets	**2,157**	–
Foreign exchange differences, net	**704**	2,257
Employee benefit expenses (including Directors' and chief executive's remuneration):		
Wages and salaries	**129,846**	152,749
Retirement benefit scheme contributions	**13,759**	16,065
	143,605	168,814
Government subsidies (included in other income and other gains) *(Note)*	**(18,417)**	(3,192)
COVID-19-related rent concessions received	**(19,772)**	(14,189)

Note:

For the Review Period, these represented subsidies granted by the Government under the Anti-epidemic fund and the Employment Support Scheme. For the Previous Review Period, these represented subsidies granted by the Government under the Anti-epidemic fund. There were no unfulfilled conditions or other contingencies attaching to the subsidies and the Government grant that had been recognised by the Group.

7. INCOME TAX (CREDIT)/EXPENSE

The Company was incorporated in the Cayman Islands. It is tax exempted as no business was carried out in the Cayman Islands under the tax laws of the Cayman Islands during both periods.

Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of a qualifying group entity established in Hong Kong will be taxed at 8.25% (2021: 8.25%), and profits above that amount will be subject to the tax rate of 16.5% (2021: 16.5%). The profits of the group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at 16.5% (2021: 16.5%).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the locations in which the Group operates.

	Six-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current — Hong Kong		
Over provision in prior periods	**(225)**	(144)
Current — Elsewhere		
Charge for the period	**–**	168
(Over)/under provision in prior periods	**(103)**	13
Deferred tax	**(33)**	(33)
Total tax (credit)/charge for the period	**(361)**	4

8. INTERIM DIVIDEND

No dividend was paid by the Company or proposed by the Board during the Review Period nor has any dividend been proposed since the end of the reporting period (the Previous Review Period: nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount for the Review Period is based on the profit for the period of approximately HK$40,867,000 (the Previous Review Period: loss of approximately HK$30,428,000) attributable to ordinary equity holders of the Company and the weighted average number of 1,411,226,450 ordinary shares of the Company for the Review Period (the Previous Review Period: 1,411,226,450 ordinary shares of the Company) in issue deducting the weighted average number of shares held under the Share Award Scheme of 29,624,000 ordinary shares (the Previous Review Period: 32,624,000 ordinary shares of the Company).

The Group had no potentially dilutive ordinary shares in issue during both periods. Accordingly, diluted earnings or loss per share for both periods was the same as the basic earnings or loss per share.

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the Review Period, the Group acquired property, plant and equipment of HK$5,110,000 (the Previous Review Period: HK$30,638,000). No write-off of items of property, plant and equipment was recognised.

As at 31 March 2022, certain buildings (included in property, plant and equipment) and right-of-use assets were secured for the Group's bank borrowings. Details are set out in note 13 of the Interim Financial Statements.

11. TRADE RECEIVABLES

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

	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
	HK$'000	*HK$'000*
Less than one month	**2,750**	822
One to two months	**2,079**	1,266
Over two months to three months	**86**	360
Over three months	**1,146**	3,261
	6,061	5,709

The Group's trading terms with its customers are mainly settlement in cash and by smart card, except for well-established corporate customers, for which the credit term is generally 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the Group's senior management. The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest-bearing. They are stated net of loss allowance.

Included in the Group's trade receivables are amounts due from the Group's joint-ventures of HK$3,118,000 as at 30 September 2022 (31 March 2022: HK$2,285,000), which are repayable on credit terms similar to those offered to the major customers of the Group.

12. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting periods, based on the invoice date, is as follows:

	As at 30 September 2022 (Unaudited) ***HK$'000***	As at 31 March 2022 (Audited) *HK$'000*
Less than one month	**22,475**	15,614
One to two months	**9,715**	7,276
Over two months	**2,255**	4,421
	34,445	27,311

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

13. INTEREST-BEARING BANK BORROWINGS

	As at 30 September 2022 (Unaudited)			As at 31 March 2022 (Audited)		
	Effective interest rate (%)	***Maturity***	***HK$'000***	*Effective interest rate (%)*	*Maturity*	*HK$'000*
Bank loan — secured	**1 month Hong Kong Interbank Offered Rate ("HIBOR")+1.00%**	**On demand**	**–**	1 month Hong Kong Interbank Offered Rate ("**HIBOR**")+1.00%	On demand	50,545
Bank loan — secured	**1 month HIBOR+1.7% or bank's cost of fund +1%, whichever is higher or Hong Kong prime rate, whichever is lower**	**36 months since inception**	**–**	1 month HIBOR+1.7% or bank's cost of fund +1%, whichever is higher or Hong Kong prime rate, whichever is lower	36 months since inception	1,438
Bank loan — secured	**1 month HIBOR+1.7% or bank's cost of fund +1%, whichever is higher or Hong Kong prime rate, whichever is lower**	**26 months since inception**	**–**	1 month HIBOR+1.7%or bank's cost of fund +1%, whichever is higher or Hong Kong prime rate, whichever is lower	26 months since inception	14,482
			–			66,465

	As at 30 September 2022 (Unaudited) *HK$'000*	As at 31 March 2022 (Audited) *HK$'000*
Analysed into:		
Bank loans repayable:		
Current	–	61,738
Non-current	–	4,727
	–	66,465

As at 30 September 2022, the Group did not have any bank loan. As at 31 March 2022, the Group's bank loans were secured by:

(a) the Group's assets classified as held for sale with carrying values of approximately HK$175,130,000;

(b) unlimited corporate guarantees from the Company and certain of its wholly-owned subsidiaries; and

(c) the Group's restricted cash of HK$15,920,000.

The amounts payable based on the maturity terms of the loans are analysed as follows:

	As at 30 September 2022 (Unaudited) *HK$'000*	As at 31 March 2022 (Audited) *HK$'000*
Bank loans:		
Within one year	–	15,657
In the second year	–	9,252
In the third to fifth years, inclusive	–	13,898
Beyond five years	–	27,658
	–	66,465

14. ISSUED CAPITAL

	As at 30 September 2022 (Unaudited) *HK$'000*	As at 31 March 2022 (Audited) *HK$'000*
Authorised:		
10,000,000,000 ordinary shares of HK$0.01 each	**100,000**	100,000
Issued and fully paid:		
1,411,226,450 ordinary shares of HK$0.01 each	**14,112**	14,112

15. SHARE OPTION SCHEME

The Company operates the Share Option Scheme for the purpose of motivating eligible persons to optimise their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain ongoing relationships with such Eligible Persons (as defined in the Share Option Scheme) whose contributions are/will be or are expected to be beneficial to the Group. The Share Option Scheme became effective on 5 November 2012 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

No share options have been granted under the Share Option Scheme since it became effective. Therefore, no share options were exercised or cancelled or lapsed during the Review Period and no share options were outstanding under the Share Option Scheme as at 30 September 2022 and 31 March 2022.

16. COMMITMENTS

The Group had the following capital commitments at the end of the reporting periods:

	As at 30 September 2022 (Unaudited) *HK$'000*	As at 31 March 2022 (Audited) *HK$'000*
Contracted, but not provided for:		
Leasehold improvements	**7,688**	7,305
Intangible assets	**279**	279
	7,967	7,584

17. RELATED PARTY TRANSACTIONS

(i) In addition to the transactions detailed elsewhere in the Interim Financial Statements, the Group had the following material transactions with related parties during the periods:

		Six-month period ended 30 September	
		2022	2021
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Sale of food to joint ventures	*(a)*	**2,610**	5,389
Rental fees paid and payable to:			
Success Path Limited	*(b)*	**–**	1,080
Champion Stage Limited	*(b)*	**–**	371
Laundry service fee paid and payable to a related party	*(c)*	**147**	279

The transactions were conducted on terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that these related party transactions were conducted in the ordinary and usual course of business of the Group.

The related party transactions in respect of the rental fees above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules for the Previous Review Period (the Review Period: nil).

Notes:

(a) The selling prices of food sold to joint ventures were mutually agreed between the parties, which approximated the market rates.

(b) These related parties are controlled by the current and former Directors, namely Mr. Lee Yuen Hong ("**Mr. Lee**"), Mr. Ho Ting Chi, Mr. Cheung Yu To, Mr. Cheung Wai Keung and Mr. Cheung Yue Pui. Except Mr. Lee, the chairman of the Board (the "**Chairman**"), all the other four individuals named above are the former Directors. The rental fees were determined between the Group and the parties by reference to market rates.

(c) The related party is controlled by a close family member of certain Directors. The service fee was mutually agreed between the parties, which approximately the market rate.

(ii) Compensation of key management personnel of the Group, including the remuneration of the Directors and the chief executive, is as follows:

	Six-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Short term employee benefits	**3,575**	3,760
Post-employment benefits	**63**	66
	3,638	3,826

18. FINANCIAL INSTRUMENTS BY CATEGORY

As at 30 September 2022 and 31 March 2022, all the financial assets and liabilities of the Group were at amortised cost.

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost were not materially different from the fair values as at 30 September 2022 and 31 March 2022.

19. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	As at 30 September 2022	As at 31 March 2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Bank guarantees in favour of landlords in lieu of rental deposits (secured)	**–**	569
Bank guarantees in favour of landlords in lieu of rental deposits (unsecured)	**5,105**	5,105
	5,105	5,674

CHAIRMAN'S STATEMENT

Dear Shareholders:

On behalf of the Board, I hereby present the unaudited consolidated financial statements of the Group for the Review Period (the "**Interim Financial Statements**").

BUSINESS REVIEW

During the Review Period, the global novel coronavirus disease 2019 (COVID-19) pandemic (the "**Pandemic**") had not broken off. Various regions in which the Group operated its business had been adversely impacted by the Pandemic and the restrictive measures in response to it. The restrictive measures, like dine-in restrictions, social distancing and entry quarantine arrangements and even lockdown, diminished the local consumer sentiment and limited the visitors' arrival, which stroke a severe blow to the food and beverage industry. The Group has constantly been reviewing and adjusting its strategies in addressing various measures implemented by the local governments. We are glad to see the effectiveness of our takeaway promotions. During the Review Period, the Group had continued its efforts in controlling costs, for instance, by negotiating with landlords for downward adjustments or concession of rent, switching food materials of grossly inflated price or changing the menu without compromising the quality. Furthermore, the Group had disposed of certain properties in Hong Kong during the Review Period, which greatly strengthened the Group's financial position. With the solid cash flow and strong resources reserve, the market conditions present an opportunity to the Group to rebrand its restaurants and further expand its presence in the Guangdong-Hong Kong-Macau Greater Bay Area and overseas markets when the Pandemic gradually subsides. During the Review Period, the Group had closed down 1 restaurant in Hong Kong and 3 restaurants in Mainland China. On the other hand, the Group had opened 3 restaurants in Hong Kong. As at 30 September 2022, a total of 84 restaurants were operated by the Group in Hong Kong, the Macau Special Administrative Region of the PRC ("**Macau**"), Mainland China and the Republic of Singapore ("**Singapore**").

Mainly attributable to the restrictive measures and diminished consumer sentiment during the Review Period, the Group recorded revenue of approximately HK$414.6 million, representing a decrease of approximately 20.7% as compared with approximately HK$522.5 million for the Previous Review Period.

OUTLOOK

The Hong Kong government has eased the social distancing measures by resuming dine-in service for catering businesses from 6:00 p.m. to 9:59 p.m. with effect from 21 April 2022, and has further eased the social distancing measures by allowing dine-in service until 11:59 p.m. with effect from 19 May 2022 and increasing the maximum number of persons per table to 12 with effect from 20 October 2022, which are absolutely good news for the stakeholders in the catering sector. Looking ahead, apart from promoting our takeaway service, the Group will identify more feasible solutions or approaches that could reduce operating costs without compromising our quality. We shall also keep an eye on the Pandemic and the market development, analyse the situation and adjust our strategies whenever necessary to minimise adverse impacts from any social and policy changes. I am confident that we will be able to overcome all the difficulties and generate the highest possible returns for the shareholders of the Company (the "**Shareholders**") given that we, after all, have been rooted in Hong Kong for over half a century facing various ups and downs in the past decades.

AWARDS AND RECOGNITIONS

In recognising our efforts and contribution, during the Review Period, we won a number of major awards/recognitions, including Caring Company awarded by The Hong Kong Council of Social Service, Quality Tourism Services Scheme – Restaurants Category awarded by Hong Kong Tourism Board and Certificate of Merit awarded by The Chinese Manufacturers' Association of Hong Kong.

APPRECIATION

I would like to take this opportunity to give my heartfelt thanks to all the Shareholders and investors, customers, suppliers and business partners of our Group for their unwavering support. What is more, I would also like to extend my appreciation to the management team and fellow staff members of the Group for their commitment and contributions during the Review Period.

Lee Yuen Hong
Chairman and Executive Director

Hong Kong, 25 November 2022

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Review Period, the Group's business in Hong Kong, Mainland China, Macau and Singapore had been affected by the Pandemic and the restrictive measures in various places, and the business has not yet fully recovered. The Group recorded a decrease in revenue by 20.7% during the Review Period as compared to the Previous Review Period.

As at 30 September 2022, a total of 84 restaurants were operated by the Group in Hong Kong, Mainland China, Macau and Singapore. During the Review Period, the Group had opened a total of 3 restaurants in Hong Kong while closing down a restaurant there. The Group has been taking close heed of the development of the Pandemic and the market conditions and keeping an eye on its restaurant network to carry out timely adjustment in arrangements.

Hong Kong

During the Review Period, the food and beverage industry has suffered from the resurgence of the Pandemic in Hong Kong, the slowdown in the world economy as well as the rising inflation in the world. The Group continuously adjusted its operating strategy to strive for a stable and sustainable operation and seek new directions while maintaining stability.

The Pandemic has been affecting the operations of our restaurants, resulting in a decreased revenue, but fixed expenses such as salaries and rent still have to be paid, which put pressure on the Group's profitability. Since the Pandemic is expected to continuously affect the food and beverage industry, the Group will closely monitor the situation and will consider to rebrand or renovate our restaurants or even will consider closing down those restaurants which are not performing at a satisfactory level, so as to relieve the burden on cash flow and profitability during the outbreak of the Pandemic.

The Group continued its efforts to control various food materials and operating costs to save expenses, including regularly reviewing the prices of food materials, switching the food materials with a significant price increase or changing the menus while maintaining the quality of our food. The Group had also continued communicating with the landlords to negotiate the possible lease adjustments and concessions with a view to reducing operational pressure and tiding over difficult times.

The Group's brands in Hong Kong include "Tsui Wah (翠華)", "Nijuuichi Don (廿一堂)", "Homurice (揚食屋)", "Ceylon (錫蘭)", "Ging Sun Ho King of Bun (堅信號上海生煎皇)", "Chilli Chilly (川辣堂)" and "From Seed to Wish", etc. After a review of the Group's restaurant network, during the Review Period, the Group had closed down 1 restaurant in Hong Kong under the brand of "Tsui Wah (翠華)" and had opened 3 restaurants under the brands of "Ging Sun Ho King of Bun (堅信號上海生煎皇)" in Hong Kong.

Mainland China

The outbreak of the Pandemic in Mainland China has had a massive impact on our business. The outbreak in Shanghai in April 2022 had spread to the whole country, and the government imposed lockdown and restrictive measures, causing a third of our restaurants to suspend operations for two months. After that, we were allowed to provide limited services such as food delivery services and resumed dine-in services gradually when the Pandemic situation was under control. The business conditions of our restaurants were constantly adjusted in response to the government's restrictive measures such as temporary business suspension, only providing food delivery services, modifying our business hours, etc. Our Group has formed a set of strategies for the emergency management of the Pandemic control and measures, so that our restaurants can maintain stable and sustainable operation.

Followed by closing down three restaurants in Mainland China during the Review Period upon the expiry of their respective lease terms, we have been shifting our focus on the Guangdong-Hong Kong-Macau Greater Bay Area and other specific business region (such as the city of Haikou duty-free project is getting ready for the grand opening). We are also strengthening our delivery platform promotion activities and have entered into Douyin (抖音) platform to further enhance our brand awareness. Our Group had also successfully liaised with the government officials to grant us a subsidy, which further strengthened our cash flow. In terms of the future development, we will adopt a prudent approach and will speed up our expansion plan in Mainland China after the market returns to its stability.

Others

In Singapore, the Group maintained its strategic partnership with Jumbo Group Limited ("**Jumbo**") in Singapore and was operating a Hong Kong style Cha Chaan Teng (茶餐廳) under the brand of "Tsui Wah". Leveraging on Jumbo's strong presence in Singapore, the Group is confident that this joint venture will be successful and is expected that "Tsui Wah" and its products will establish an excellent international reputation among the approximately 5.5 million population to expand its business network in Singapore.

The Group currently has 4 restaurants in Singapore. With the Singapore Government lifting most of the COVID-19 measures from April 2022 and the subsequent fully lifting of vaccination-differentiated measures from 10 October 2022, we are optimistic that revenue will return to pre-COVID levels in Singapore. We have already seen an increase in revenue and the establishment of a foothold for the Review Period.

In Macau, a new round of Pandemic struck in mid-June 2022 where around 1,800 infections had been reported since then. This was the worst coronavirus outbreak that forced the closure of casinos and locked down most of the city, the government conducted multiple citywide tests and banned all dine-in services at restaurants which severely affected the Group's "Tsui Wah" brand business. The Group has acted immediately to adjust our business hours, staff arrangements and menu in order to minimise the impact of the Pandemic. Our business in Macau has showed a sign of improvement since August 2022 after Macau reopened its casinos and its border with China.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Review Period was approximately HK$414.6 million, representing a decrease of approximately 20.7% as compared with approximately HK$522.5 million for the Previous Review Period. The decrease in revenue was mainly attributable to the restrictive measures and diminished consumer sentiment in Hong Kong and Mainland China.

Cost of inventories sold

The cost of inventories sold for the Review Period was approximately HK$120.3 million, representing a decrease of approximately 18.6% as compared with approximately HK$147.7 million for the Previous Review Period. The cost of inventories sold accounted for approximately 29.0% of the Group's revenue for the Review Period (the Previous Review Period: approximately 28.3%). The ratio of cost of inventories sold in proportion to the Group's revenue was relatively stable, which showed the effectiveness of the Group's strategies in controlling and reviewing the prices of food materials applied since the Previous Review Period.

Gross profit

The Group's gross profit (equivalent to revenue minus the cost of inventories sold) for the Review Period was approximately HK$294.3 million, representing a decrease of 21.5% compared with approximately HK$374.8 million for the Previous Review Period. The decrease was mainly due to the decrease in revenue under the diminished consumer sentiment in Hong Kong and Mainland China.

Staff costs

The Group's staff costs for the Review Period were approximately HK$143.6 million, representing a decrease of approximately 14.9% as compared with approximately HK$168.8 million for the Previous Review Period. The decrease in staff costs was mainly due to the close down of unprofitable restaurants in the Review Period and the reduction in social security contribution in Mainland China.

Since the outbreak of the Pandemic, all members of the Board and the Company's senior management (the "**Senior Management**") have voluntarily reduced their remuneration. The Group also formed a crisis management committee (the "**Committee**") to provide strategic direction and formulate preventive measures, including adjusting the business hours of restaurants and re-arrangement of manpower so as to mitigate the negative impacts on the well-being and safety of the Group's customers and employees and control costs to offset the impact of the Pandemic on the reduction of revenue.

Depreciation and amortisation

During the Review Period, (1) depreciation and amortisation were approximately HK$26.2 million, equivalent to approximately 6.3% of the Group's revenue (the Previous Review Period: approximately 33.1 million, equivalent to 6.3% to the Group's revenue); and (2) depreciation of right-of-use assets were approximately HK$85.2 million, equivalent to 20.5% of the Group's revenue (the Previous Review Period: approximately HK$88.7 million, equivalent to 17.0% to the Group's revenue). The increase in the combined ratio of depreciation and amortisation and depreciation of right-of-use assets to the Group's revenue were mainly due to a decrease in revenue during the Review Period.

Property rentals and related income/expenses

During the Review Period, the Group's depreciation of right-of-use assets amounted to approximately HK$85.2 million (the Previous Review Period: approximately HK$88.7 million) with related finance costs of HK$7.7 million (the Previous Review Period: approximately HK$9.8 million). Property rentals and related income for the Review Period amounted to approximately HK$0.9 million (the Previous Review Period: expense approximately HK$11.7 million).

Rental and related expenses (equivalent to depreciation of right-of-use assets with related finance costs plus property rental and related expenses) for the Review Period accounted for approximately 22.2% of the Group's revenue as compared with 21.1% for the Previous Review Period. The increase in the ratio was primarily due to the decrease in revenue for the Review Period. The Group will continue to closely negotiate possible lease concessions and adjustments with landlords and strive to seek a waiver of/reduction in rent. The Group will also review and adjust its restaurant network on a regular basis.

Other operating expenses

Other operating expenses for the Review Period decreased by approximately 15.7% as compared with the Previous Review Period, from approximately HK$63.1 million for the Previous Review Period to approximately HK$53.2 million for the Review Period, representing approximately 12.8% of the Group's revenue for the Review Period. The decrease was a result of the Group's strict control on the operating costs.

	Six-month period ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Other operating expenses included:		
Tools and consumables	**10,532**	15,081
Logistic and transportation	**6,161**	8,834
Repair and maintenance	**4,376**	6,333
Staff welfare	**5,270**	6,969
Sanitation	**4,312**	4,834
Foreign exchange differences, net	**704**	2,257
Gain on disposal of items of property, plant and equipment	**–**	(21)
Impairment of right-of-use assets	**2,157**	–
Other operating related expenses	**19,640**	18,763
	53,152	63,050

Finance costs

Finance costs amounted to HK$8.0 million for the Review Period, representing a decrease of HK$2.2 million from the Previous Review Period, which was mainly the interest on lease liabilities of approximately HK$7.7 million.

Share of profit from joint ventures

There was share of profit from joint ventures amounting to approximately HK$0.7 million for the Review Period, as compared with that of approximately HK$5.1 million for the Previous Review Period.

Profit for the Review Period

The Group turned to profit of approximately HK$40.9 million for the Review Period from loss of approximately HK$30.4 million in the Previous Review Period, primarily due to the completion of the very substantial disposal of certain properties as mentioned in the paragraph headed "Material acquisitions and disposals" below.

Liquidity, financial resources and capital structure

The Group financed its business principally with internally generated cash flows and the proceeds received from the initial public offering of the Company for listing of its Shares (the "**Share(s)**") on the Main Board of the Stock Exchange on 26 November 2012 (the "**Listing**"). Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities, the Group has sufficient working capital to meet its present requirements.

As at 30 September 2022, the Group had cash and cash equivalents amounting to approximately HK$313.3 million, representing an increase of approximately HK$210 million from approximately HK$103.3 million as at 31 March 2022. Most of the Group's bank deposits and cash were denominated in Hong Kong dollars and Renminbi.

As at 30 September 2022, the Group's total current assets and current liabilities were approximately HK$428.8 million (31 March 2022: approximately HK$411.0 million) and approximately HK$346.9 million (31 March 2022: approximately HK$395.4 million), respectively, while the current ratio calculated by dividing the total current assets over the total current liabilities was approximately 1.2 time (31 March 2022: approximately 1.0 time).

Details of the interest-bearing bank borrowings are set out in note 13 to the Interim Financial Statements.

As at 30 September 2022, the Group's gearing ratio, calculated by the interest-bearing bank borrowings divided by the equity attributable to owners of the Company and then multiplied by 100%, was 0% (the Previous Review Period: approximately 12.5%).

Material acquisitions and disposals

The Group had no material acquisitions or disposals of subsidiaries, associates or joint ventures during the Review Period.

The Group disposed of certain properties during the Review Period at a total consideration of HK$264.0 million; the net proceeds from it was approximately HK$199.0 million. Please refer to the "Very Substantial Disposal" under the "Corporate Governance and other Information" section below.

Significant investments and plans for material investments or capital assets

Save as disclosed elsewhere in the Interim Financial Statements, the Group did not have any significant investments or any other plans for material investments or capital assets as at 30 September 2022.

Foreign currency risk

The Group's sales and purchases for the Review Period were mostly denominated in Hong Kong dollars and Renminbi. The Renminbi is not a freely convertible currency. Future exchange rates of the Renminbi could vary significantly from the current or historical exchange rates as a result of capital controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes both domestically and internationally, and the demand and supply of the Renminbi. The appreciation or depreciation of the Renminbi against Hong Kong dollars may have an impact on the Group's results. The Group will continue to take proactive measures and closely monitor its exposure to any currency movements. The Group has currently not implemented any foreign currency hedging policy. The management will consider hedging against significant foreign exchange exposure should the need arise.

Contingent liabilities

As at 30 September 2022, the Group had contingent liabilities of approximately HK$5.1 million (31 March 2022: approximately HK$5.7 million) in respect of bank guarantees given in favour of the landlords in lieu of rental deposits.

Charge on assets

There was no charge on the Group's assets as at 30 September 2022.

Human resources and remuneration policy

As at 30 September 2022, the Group employed approximately 1,700 (30 September 2021: approximately 2,600) employees. The Group's staff costs decreased by approximately 14.9% from approximately HK$168.8 million for the Previous Review Period to approximately HK$143.6 million for the Review Period. Since the outbreak of the Pandemic, all members of the Board and the Senior Management voluntarily reduced their remuneration. The Group also formed the Committee to provide strategic direction and formulate preventive measures, including adjusting the business hours of restaurants and re-arrangement of manpower so as to mitigate the negative impacts on the well-being and safety of the Group's customers and employees and control costs to offset the impact of the Pandemic on the reduction of revenue.

Remuneration packages are generally determined by reference to market norms, individual qualifications, relevant experience and performance as well as the Group's results. A share option scheme is in place, and details thereof are set forth in note 15 to the Interim Financial Statements and the "Corporate Governance and Other Information" section below. In addition, the Company has adopted the share award scheme on 9 August 2018 (the "**Share Award Scheme**") for the purpose of, amongst others, providing incentives and helping the Group in retaining its existing employees. The Group periodically reviews the remuneration of its employees.

During the Review Period, the Group had provided comprehensive training programmes and development initiatives pertaining to operational and occupational safety as well as customer services for relevant employees in order to enhance the quality of services expected from customer-facing staff and ensure the effective implementation of the Group's business ethos.

PROSPECTS AND OUTLOOK

Customer satisfaction

In the face of multiple challenges, the Group has maintained vigilance, examining ways to best adapt to market dynamics. The Group will continue to implement its core strategy of prioritising its customers' dining experience by maintaining stringent food safety and diversifying the menu to suit seasonal changes in order to attract a broader base of customers whilst ensuring that its signature dishes will continue to be served at the highest quality. The Group has always endeavoured to provide high-quality food for its customers in a comfortable and hygienic Cha Chaan Teng environment. Furthermore, we trust that the Group will strive to build customer satisfaction by diversifying the Group's business under new brand names.

Corporate social responsibility

The Group is committed to adhering to its core corporate values and social responsibilities. The Group has been strongly encouraging all its employees to participate in charitable activities organised by and associated with the Group such as the Hong Kong Community Chest's fundraising activities. The Group has also promoted environmental protection initiatives, bolstered its green procurement and energy saving policies, and provided customers with friendly reminders to reduce food waste. The Group continues to take a proactive role in giving back to the community.

Outlook

Looking forward, the Group plans to implement the following measures so as to diversify its business scope and source of revenue. The Group will actively broaden its platforms and develop its new brands and explore other new business models with a view to maintaining flexible market responses and coping with the change in consumption manner. Besides, the Group will accelerate its expansion in overseas markets and the Guangdong-Hong Kong-Macau Greater Bay Area, and strengthen marketing efforts to expand its customer base. We hope to consolidate the brand presence of the Group and increase its market share in Hong Kong, Macau and Mainland China. The Group will also make good use of its strategic partnership relationship with Jumbo in Singapore, and continue seeking development opportunities with caution in Singapore and other Southeast Asia regions.

Apart from restructuring the restaurants and developing business, the Group will also actively promote takeaway services to further strengthen its food delivery business and will launch marketing promotions to attract more customers so as to mitigate the adverse impact of the restrictive measures. With rising food costs, driven by global logistic challenges and high transportation expenses, the Group has continued to procure ingredients from relatively lower cost locations. The Group has also adjusted menus to fully capitalise on the price movement of ingredients, as well as launched new value-added food items that satisfy the tastes of restaurant-goers. To enhance its efficiency and productivity, the Group is taking decisive measures to maintain its profit margins by controlling its costs (such as rent and labour costs) as well as reviewing and readjusting its recurrent expenditure.

On 12 May 2020, the Group won the bid for a licence by the Airport Authority to operate a catering concession at the Hong Kong International Airport (the "**Airport**"). The Pandemic has caused a sharp decline in the Airport's passenger flow and the Airport Authority has agreed to extend the rent-free fitting out period. The Group will pay attention to the global development of the Pandemic and flight status, and will continue to discuss with the Airport Authority on the grand opening date of the catering concession.

Despite the challenging external environment, the Group, with its solid cash flow and strong resources reserve, can choose the most advantageous way to improve its operations and seize various attractive business opportunities.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the Review Period (the Previous Review Period: nil).

USE OF NET PROCEEDS

The net proceeds from the Listing (the "**Net Proceeds**") were approximately HK$794.4 million (after deducting the underwriting fees and all related expenses).

The use of the Net Proceeds up to 30 September 2022 was approximately as follows:

Use of Net Proceeds	Percentage of Net Proceeds	Net Proceeds	Amount utilised during Review Period	Aggregate amount utilised up to 30 September 2022	Amount remaining as at 30 September 2022
		(in HK$ million)	*(in HK$ million)*	*(in HK$ million)*	*(in HK$ million)*
Opening new restaurants and delivery centres and launch of catering service in Hong Kong	20%	158.9	–	(158.9)	–
Opening new restaurants in Mainland China	35%	278.0	–	(278.0)	–
Construction of new central kitchen in Hong Kong	10%	79.4	–	(79.4)	–
Construction of new central kitchens in Shanghai and Southern China	20%	158.9	–	(108.3)	50.6
Upgrading information technology systems	5%	39.8	–	(37.8)	2.0
Additional working capital and other general corporate purposes	10%	79.4	–	(79.4)	–
Total	100%	794.4	–	(741.8)	52.6

The unused Net Proceeds were mainly intended to be applied to construction of new central kitchens in Shanghai and Southern China (the "**Unmaterialised Plan**"). However, given the unfavourable factors and impact of the Pandemic, the Directors are of the view that it is relatively not a good timing for taking further steps in pursuing the Unmaterialised Plan. If it is determined by the Board that it would be in the interest of the Company and the Shareholders to shelve the Unmaterialised Plan and reallocate the unused Net Proceeds, the Company will inform the Shareholders by making a further announcement.

VERY SUBSTANTIAL DISPOSAL

On 24 June 2022, the Shareholders at an extraordinary general meeting of the Company passed the resolutions to approve and confirm an agreement dated 14 April 2022 entered into between the Group and China Resources Purchasing Godown Company Limited (華潤採購倉儲有限公司), an independent third party (the "**Agreement**") for the sale and purchase of the properties located at (1) Units Nos.1601, 1602, 1603, 1604, 1605, 1606, 1607 and 1608 on the 16th Floor of Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong ("**Riley House**"); and (2) Units Nos.1701, 1702, 1703 and 1704 on the 17th Floor of Riley House (collectively, the "**Properties**") at the consideration of HK$264,044,650, and the transaction contemplated thereunder (including the Leaseback Arrangement (as defined in the Agreement)). Details of the Agreement and the transaction contemplated thereunder are set out in the circular of the Company dated 27 May 2022 and the announcements of the Company dated 14 April 2022 and 24 June 2022.

In July 2022, the Group completed the disposal of the Properties. The disposal has greatly strengthened the Group's financial position.

CORPORATE GOVERNANCE

The Company had adopted and complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (the "**CG Code**") for the Review Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code from time to time.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing the Directors' securities transactions in the listed securities of the Company.

Following the specific enquiries made to the Directors by the Company, all of them confirmed that they had fully complied with the standards as set out in the Model Code for the Review Period.

AUDIT COMMITTEE

The Interim Financial Statements have not been audited nor reviewed by the independent auditors of the Company. The Audit Committee has reviewed the accounting principles and practices adopted by the Group as well as certain of its internal control matters and has also reviewed and confirmed the Group's Interim Financial Statements. The existing members of the Audit Committee comprise Mr. Yim Kwok Man and Mr. Goh Choo Hwee, both INEDs, and Mr. Wong Chi Kin, a NED. Mr. Yim Kwok Man is the chairman of the Audit Committee.

SHARE AWARD SCHEME

The Company has adopted the Share Award Scheme to recognise and motivate the contribution of the eligible participants, to provide incentives and assist the Company in retaining its existing participants and inducing high-calibre personnel and to provide them with a direct economic interest or incentives in attaining the long-term business objectives of the Company. The Share Award Scheme was adopted by the Board on 9 August 2018 (the "**Adoption Date**") and shall be valid until the business day immediately prior to the 10th anniversary of the Adoption Date.

On 30 August 2022, the Board resolved to grant 750,000 awarded Shares to each of Mr. Wong Chi Kin, Mr. Goh Choo Hwee, Mr. Tang Man Tsz and Mr. Yim Kwok Man by using the Shares held by the trustee appointed by the Company for the administration of the Share Award Scheme at nil consideration. The above first-named individual is a non-executive Director (the "**NED**") and all the other individuals are independent non-executive Directors (the "**INEDs**"). Save for the said awarded Shares, no other issued Share purchased has been awarded under the Share Award Scheme since the Adoption Date.

As at the date of this announcement, 39,278,000 Shares are held by the trustee of the Share Award Scheme for the benefit of the eligible participants for the purpose of the Share Award Scheme. Such Shares will not be regarded as being in public hands.

TERM LOAN FACILITY OF HK$30,000,000 AND DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 28 August 2020, the Company entered into a facility agreement with a licensed bank in Hong Kong (the "Bank" and the "**Facility Agreement**", respectively) whereby the Bank has made available to Tsui Wah Efford Management Limited ("**TWEML**"), a wholly-owned subsidiary of the Company, a term loan facility for 36 months in the principal amount of HK$30 million (the "**Facility**").

Under the terms of the Facility Agreement, TWEML has also executed a letter of undertaking in favour of the Bank (the "**Letter of Undertaking**"). Pursuant to the Letter of Undertaking, among others, it would be an event of default of the Facility Agreement if Mr. Lee, the Chairman and an executive Director, ceases to be (i) the Chairman; and (ii) a controlling Shareholder holding at least 30% of voting power at general meetings of the Company (the "**Event of Default**").

If an Event of Default has occurred, the Bank may by notice to TWEML declare that (i) the advances under the Facility be cancelled; and/or (ii) all amounts outstanding under the Facility and all interest, fees and commissions shall immediately become due and payable.

As at 30 September 2022, the Group has repaid the Facility.

Save as disclosed above, there were no circumstances which would give rise to a disclosure obligation of the Group under Rule 13.21 of the Listing Rules as at 30 September 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Review Period, the Company did not redeem any of the Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of these Interim Financial Statements, the Company has maintained a sufficient public float of the issued Shares (i.e. at least 25% of the issued Shares being held by the public) as required under the Listing Rules.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

No material events have occurred after the end of the Review Period and up to the date of this Interim Financial Statements.

PUBLICATION OF THE INTERIM REPORT

The interim report of the Company for the Review Period containing all the information required by the Listing Rules (including these Interim Financial Statements) are published on the website of the Company (www.tsuiwah.com) as well as the designated website of the Stock Exchange (www.hkexnews.hk).

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

Hong Kong, 25 November 2022

As at the date of this announcement, the Board comprises the following members: (a) Mr. LEE Yuen Hong (Chairman), Mr. LEE Kun Lun Kenji (Group Chief Executive Officer) and Ms. LEE Yi Fang as Executive Directors; (b) Mr. CHENG Chung Fan and Mr. WONG Chi Kin as non-executive Directors; and (c) Mr. GOH Choo Hwee, Mr. TANG Man Tsz and Mr. YIM Kwok Man as independent Non-executive Directors.