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**1957 & Co. (Hospitality) Limited**

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

**(Stock Code: 8495)**

**POSSIBLE DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE TENANCY AGREEMENT OF  
A NEW RESTAURANT IN HDH CENTRE IN CAUSEWAY BAY**

**THE TENANCY AGREEMENT**

The Board announces that on 7 September 2022, Sushi Ta-ke Limited, a wholly-owned subsidiary of the Company (as the Tenant), signed the Tenancy Agreement in relation to the leasing of the Premises in HDH Centre in Causeway Bay for a term of four years from 1 December 2022 to 30 November 2026 (with option for the Tenant to renew for a further term of two years to 30 November 2028). The Group plans to operate a new restaurant serving Japanese cuisine in the Premises.

The Tenancy Agreement is still subject to the execution by the Landlord.

Pursuant to HKFRS 16, following the execution of the Tenancy Agreement by both the Landlord and the Tenant, the Group shall recognise an additional asset representing its right to use the Premises in the amount of approximately HK\$10.0 million which is calculated with reference to the present value of aggregated lease payments plus initial direct costs and estimated reinstatement cost with the Lease as discounted using a discount rate which is equivalent to the Company's incremental borrowing rate during the entire term of the Lease. As such, the Lease contemplated under the Tenancy Agreement will be regarded as an acquisition of asset by the Group for the purpose of the GEM Listing Rules.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As one or more applicable percentage ratios (as defined in the GEM Listing Rules) based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 in respect of the Lease exceeds 5% but all applicable percentage ratios are less than 25%, the Lease constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is accordingly subject to the reporting and announcement requirements but exempt from shareholders' approval requirement.

## INTRODUCTION

The Board announces that on 7 September 2022, Sushi Ta-ke Limited, a wholly-owned subsidiary of the Company (as the Tenant), signed the Tenancy Agreement in relation to the leasing of the Premises for a term of four years from 1 December 2022 to 30 November 2026 (with option for Tenant to renew for a further term of two years to 30 November 2028). The Group plans to operate a new restaurant serving Japanese cuisine in the Premises.

The Tenancy Agreement is still subject to the execution by the Landlord.

## THE TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are set out below:

Tenant:	Sushi Ta-ke Limited, an indirectly wholly owned subsidiary of the Company
Landlord:	Smart Charm Holdings Limited 飛宇控股有限公司
Date of signing by the Tenant:	7 September 2022
Premises:	6th Floor, HDH Centre, No. 8 Pennington Street, Causeway Bay, Hong Kong
Term of the Lease:	Four (4) years commencing from 1 December 2022 to 30 November 2026 (both days inclusive) (with option for Tenant to renew for a further term of two years to 30 November 2028)
The aggregate value of consideration payable:	<p>The aggregate value of consideration payable by the Tenant under the Tenancy Agreement including rent, air-conditioning charges and management fee is approximately HK\$10.5 million, which will be satisfied by internal resources of the Group. The base rent shall be paid monthly in advance on the first day of each calendar month.</p> <p>The rent under the Tenancy Agreement is determined after arm's length negotiations between the Landlord and the Tenant, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises.</p>
Deposit:	Approximately HK\$1.1 million (representing four and a half months of the average monthly rent, air-conditioning charges and management fee and rates), which has been paid by the Tenant to the Landlord upon signing of the Tenancy Agreement.
Use:	Restaurant operation in Japanese cuisine

## **Basis for Determination of the Rent and Other Information**

The terms of the Tenancy Agreement (including the rent and fees payable thereunder) were determined after arm's length negotiations between the Landlord and the Tenant, with reference to the prevailing market terms for properties of similar type, age and location.

The rent and other amounts payable by the Tenant under the Tenancy Agreement are expected to be financed by the internal resources of the Group.

## **THE RIGHT-OF-USE ASSET**

Based on preliminary estimation of the Company, the value of the right-of-use asset to be recognised by the Company under the Tenancy Agreement shall amount to approximately HK\$10.0 million, which is the present value of aggregated lease payments, plus initial direct costs and estimated reinstatement cost with the Lease in accordance with HKFRS 16. Discount rate of approximately 3.8% per annum is applied to compute the present value of aggregate lease payments under the Tenancy Agreement.

## **INFORMATION OF THE TENANT**

The Company is an investment holding company and its subsidiaries are principally engaged in operation of restaurants and catering management and consultancy services. The Tenant is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

## **INFORMATION OF THE LANDLORD**

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, (1) the Landlord is a wholly owned subsidiary of H Development Holdings Limited, which is a company incorporated in Hong Kong and principally engaged in property investment, property development and hotel property investment; (2) the ultimate beneficial owner of H Development Holdings Limited is Mr. Eric Ng; and (3) the Landlord and its ultimate beneficial owner are the Independent Third Parties and not Shareholder of the Company.

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

The principal activity of the Company is investment holding. The Group is principally engaged in the operation of full-service restaurants under various brands and is dedicated to serving quality Japanese, Thai, Vietnamese, Shanghainese and Italian cuisines to different customers. In addition to the restaurant operation business, the Group also provides catering management and consultancy services in Hong Kong and the PRC.

One of the Group's currently operating Japanese cuisine restaurants, Ta-Ke Japanese Restaurant, is situated Lee Garden Two, Causeway Bay and its lease is going to expire on 30 September 2022. Accordingly, the Group has been searching for an appropriate location to open a new Japanese cuisine restaurant in the same district and has identified the Premises. The Board believes that, taking into account of the historical performance of Ta-Ke Japanese Restaurant, opening a new Japanese cuisine in the same district will have a positive impact on the future development of the Company and therefore decided to lease the Premises. Having taken into account the above reasons and benefits, the Board is of the view that the terms of the Tenancy Agreement are fair and reasonable and the Lease contemplated thereunder is in the interests of the Company and its shareholders as a whole.

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

As one or more of the applicable percentage ratios in respect of the Lease is greater than 5% but all applicable percentage ratios are less than 25%, the Lease constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to reporting and announcement requirements but exempt from shareholders' approval requirement.

## **GENERAL**

Given that the Tenancy Agreement is still subject to execution by the Landlord, there may be a time gap between the execution of the Tenancy Agreement by the Tenant and the receipt of fully executed Tenancy Agreement by the Group. The Company will keep the market updated on this matter and publish announcement regarding the Tenancy Agreement if and when the fully executed Tenancy Agreement is received by the Group.

## **DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	1957 & Co. (Hospitality) Limited, an exempted company incorporated in Cayman Islands with limited liability, and the shares of which are listed on GEM (stock code: 8495)
“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons or any of their respective associates
“Landlord”	Smart Charm Holdings Limited 飛宇控股有限公司, for details, please see paragraphs headed “Information of the Landlord”
“Lease”	the leasing of the Premises by the Tenant under the terms set out in the Tenancy Agreement
“PRC”	People’s Republic of China
“Premises”	6th Floor, HDH Centre, No. 8 Pennington Street, Causeway Bay, Hong Kong
“Share(s)”	ordinary shares of HK\$0.0001 each in issue of the Company
“Shareholder(s)”	holder(s) of the Share(s)
”Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the Tenancy Agreement signed by the Tenant on 7 September 2022 in relation to the leasing of the Premises
“Tenant”	Sushi Ta-ke Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board  
**1957 & Co. (Hospitality) Limited**  
**Kwok Chi Po**  
*Executive Director*

Hong Kong, 7 September 2022

*As of the date of this announcement, the executive Directors are Mr. Cai Weike, Mr. Kwok Chi Po, Mr. Wong Chi Wing Kinson and Mr. Lau Ming Fai; the non-executive Director is Mr. Chan Wai Fung; and the independent non-executive Directors are Mr. Yim Hong Cheuk Foster, Mr. Huen, Felix Ting Cheung and Ms. Cheang Ana.*

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

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange for a minimum period of 7 days from the date of publication and on the website of the Company at [www.1957.com.hk](http://www.1957.com.hk).*