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1957 & Co. (Hospitality) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8495)

(1) EARLY TERMINATION OF THE EXISTING LEASE AND LICENCE AGREEMENTS FOR GONPACHI RESTAURANT AND AN NAM RESTAURANT IN LEE GARDEN ONE;

AND

(2) POSSIBLE MAJOR TRANSACTION, CONNECTED TRANSACTION AND

CONTINUING CONNECTED TRANSACTION IN RELATION TO RELOCATION OF GONPACHI RESTAURANT AND AN NAM RESTAURANT TO LEE GARDEN TWO

EARLY TERMINATION OF THE EXISTING LEASE AND LICENCE AGREEMENTS FOR GONPACHI RESTAURANT AND AN NAM RESTAURANT IN LEE GARDEN ONE

As disclosed in the announcement of the Company dated 25 May 2022, a wholly-owned subsidiary of the Company, as tenant, signed the lease and licence agreements with a group company of Hysan Group, as landlord, to renew the lease and licence of certain premises in Lee Garden One to operate our Gonpachi Restaurant and An Nam Restaurant (i.e. Lee Garden One Lease). For details, please refer to the announcement of the Company dated 25 May 2022. The Group received the fully executed lease and licence agreements on 29 August 2022 in respect of the Lee Garden One Lease from the relevant landlord.

On 29 August 2022, the landlord of the Lee Garden One Lease also served written notice to the Group to early terminate the Lee Garden One Lease on 31 January 2023 due to its plan for renovation works to be carried out at Lee Garden One. Pursuant to the lease and licence agreements, the expiry date of the term of the Lee Garden One Lease was 31 May 2023, and the relevant landlord may early terminate the lease and the licence granted thereunder without compensation by three months' and one month's notice, respectively, to the tenant.

LEASE AND LICENCE AGREEMENTS FOR RELOCATION OF GONPACHI RESTAURANT AND AN NAM RESTAURANT TO LEE GARDEN TWO

On 9 September 2022, Gonpachi Restaurant Limited, an indirectly wholly-owned subsidiary of the Company, as tenant, signed the Lease and Licence Agreements in respect of the Lee Garden Two Lease to lease/license the Premises for the relocation of our Gonpachi Restaurant and An Nam Restaurant. Pursuant to the Lease and Licence Agreements, the term of the Lee Garden Two Lease will be from 8 October 2022 to 31 January 2029. The Lease and Licence Agreements are still subject to the execution by the Landlord.

As the term of the Lee Garden Two Lease will commence on 8 October 2022, the Group expects to have sufficient time to complete the fitting out works for the relocation of Gonpachi Restaurant and An Nam Restaurant to the Premises prior to the termination of the Lee Garden One Lease, and the Relocation is expected to take place shortly following termination of the Lee Garden One Lease. On such basis, the Directors consider that the Relocation will not cause material disruption to the Group's business operations or financial conditions.

Pursuant to HKFRS 16, following the execution of the Lease and Licence Agreements 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\$51.1 million, which is calculated with reference to the present value of aggregated lease payments plus initial direct costs less the Fit Out Subsidy, and estimated reinstatement cost with the Lee Garden Two Lease as discounted using a discount rate which is equivalent to the Company's incremental borrowing rate during the entire term of the Lee Garden Two Lease. As such, the Lee Garden Two Lease contemplated under the Lease and Licence Agreements 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

Major Transaction

As disclosed in the announcement of the Company dated 30 August 2022, the Group signed a lease agreement with a group company of Hysan Group to renew the lease of certain premises in Lee Garden Two to operate our restaurant under 10 Shanghai brand. For details, please refer to the announcement of the Company dated 30 August 2022. As at the date of this announcement, the Group has not received the fully executed lease agreement in respect of the 10-Shanghai Lease from the relevant landlord.

As the landlord and licensor for the Lee Garden One Lease, the landlord for the 10-Shanghai Lease, and the Landlord are all group companies of the Hysan Group, the three transactions are aggregated and treated as if they were one transaction. As one or more applicable percentage ratios (as defined in the GEM Listing Rules) based on the value of the right-of-use asset to be recognised by the Group pursuant to HKFRS 16 in respect of (i) the Lee Garden Two Lease and (ii) the Lee Garden Two Lease in aggregation with the Lee Garden One Lease and the 10-Shanghai Lease exceeds 25% but all such applicable percentage ratios are less than 100%, the Lee Garden Two Lease (itself and in aggregation with the Lee Garden One Lease and the 10-Shanghai Lease) constitutes a major transaction of the Company and is accordingly subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Under Rule 19.44 of the GEM Listing Rules, Shareholders' approval for a major transaction may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the transaction; and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction. The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, none of the Landlord and Hysan is a Shareholder and therefore no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the Lee Garden Two Lease. The Controlling Shareholder is beneficially interested in 274,350,000 Shares, representing 71.45% of the total number of issued Shares as at the date of this announcement, and it has given written approval to the Company to approve the Lee Garden Two Lease in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. The Controlling Shareholder has also confirmed that neither it nor any of its associates have any material interest in the Lee Garden Two Lease. Accordingly, no general meeting will be held by the Company for approving the Lee Garden Two Lease.

A circular containing, among other things, details of the Lee Garden Two Lease will be despatched to the Shareholders in accordance with the GEM Listing Rules in due course in compliance with Chapter 19 of the GEM Listing Rules. The Company currently expects to despatch the circular on or before 3 October 2022.

Connected Transaction

The Group operates two restaurants offering Japanese and Shanghainese cuisines in Lee Garden Two in joint venture with Hysan Group. The two joint venture companies that operate the two restaurants are subsidiaries of the Company and each of them is owned as to 29% by Hysan Group. Accordingly, Hysan Group (including the Landlord) is a connected person of the Company at the subsidiary level and the acquisition of right-of-use assets by the Group pursuant to HKFRS 16 under the Lee Garden Two Lease also constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Given that the Board has approved the Lee Garden Two Lease and the independent non-executive Directors have confirmed that the terms of the Lee Garden Two Lease are (i) fair and reasonable, (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group, and (iii) in the interests of the Company and its shareholders as a whole, the Lee Garden Two Lease, as a connected transaction, is exempted from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules. Particulars of the Lee Garden Two Lease will also be included in the annual report of the Company for the year ending 31 December 2022.

Continuing Connected Transaction

In addition, the payment of turnover rent and other charges to the Landlord under the Lee Garden Two Lease constitutes a continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Annual caps for the Lee Garden Two Lease for the years ending 31 December 2022, 2023 and 2024 have been set according to Rule 20.51 of the GEM Listing Rules.

EARLY TERMINATION OF THE EXISTING LEASE AND LICENCE AGREEMENTS FOR GONPACHI RESTAURANT AND AN NAM RESTAURANT IN LEE GARDEN ONE

As disclosed in the announcement of the Company dated 25 May 2022, a wholly-owned subsidiary of the Company, as tenant, signed the lease and licence agreements with a group company of Hysan Group, as landlord, to renew the lease and licence of certain premises in Lee Garden One to operate our Gonpachi Restaurant and An Nam Restaurant (i.e. Lee Garden One Lease). For details, please refer to the announcement of the Company dated 25 May 2022.

The Group received the fully executed lease and licence agreements on 29 August 2022 in respect of the Lee Garden One Lease from the relevant landlord. The lease and licence agreements were executed by the relevant landlord and were dated 14 July 2022. All terms of the Lee Garden One Lease as stated in the lease and licence agreements remained the same as disclosed in the announcement of the Company dated 25 May 2022.

On 29 August 2022, the landlord of the Lee Garden One Lease also served written notice to the Group to early terminate the Lee Garden One Lease on 31 January 2023 due to its plan for renovation works to be carried out at Lee Garden One. Pursuant to the lease and licence agreements, the expiry date of the term of the Lee Garden One Lease was 31 May 2023, and the relevant landlord may early terminate the lease and the licence granted thereunder without compensation by three months' and one month's notice, respectively, to the tenant.

LEASE AND LICENCE AGREEMENTS FOR RELOCATION OF GONPACHI RESTAURANT AND AN NAM RESTAURANT TO LEE GARDEN TWO

On 9 September 2022, Gonpachi Restaurant Limited, an indirectly wholly-owned subsidiary of the Company, as tenant, signed the Lease and Licence Agreements in respect of the Lee Garden Two Lease to lease/license the Premises in Lee Garden Two for the relocation of our Gonpachi Restaurant and our An Nam Restaurant. Pursuant to the Lease and Licence Agreements, the term of the Lee Garden Two Lease will be from 8 October 2022 to 31 January 2029.

The Lease and Licence Agreements are still subject to the execution by the Landlord.

THE LEASE AND LICENCE AGREEMENTS

The principal terms of the Lease and Licence Agreements are set out below:

Tenant/Licensee: Gonpachi Restaurant Limited, a subsidiary indirectly wholly-owned by of the Company

Landlord/Licensor: Barrowgate Limited, a wholly-owned subsidiary of Hysan

Date of signing by
the Tenant/Licensee: 9 September 2022

Premises: *in respect of the lease agreement:*

Shop Nos. 301–306 and 307–308 & 311 on the Third Floor of Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

in respect of the licence agreement for Roof Garden No. 1:

All that Roof Garden No. 1 on the Third Floor of Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

in respect of the licence agreement for Shop No. 310:

Shop No. 310 on the Third Floor, Lee Garden Two of 28 Yun Ping Road, Causeway Bay, Hong Kong

Term of the lease/licence: approximately six years and four months, from 8 October 2022 to 31 January 2029 (both days inclusive)

The aggregate value of consideration payable: *in respect of the lease agreement:*

The aggregate value of consideration payable by the Tenant under the lease agreement including basic rent, operating charges, promotion levy, rates and less the fit out subsidy is approximately HK\$58.6 million. The basic rent shall be paid monthly in advance on the first day of each calendar month.

The Tenant is also subject to a turnover rent in the range of 11% to 14% during term of the Lee Garden Two Lease which, if there is any, shall be paid in arrears by the twenty first day of the following month.

in respect of the licence agreement for roof garden:

The aggregate value of consideration payable by the Tenant under the licence agreement is approximately HK\$0.04 million. The licence fee shall be paid monthly in advance on the first day of each calendar month.

in respect of the licence agreement for Shop No. 310:

The aggregate value of consideration payable by the Tenant under the licence agreement is approximately HK\$0.4 million. The licence fee shall be paid monthly in advance on the first day of each calendar month.

The rent and licence fees under the Lease and Licence Agreements are 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.

Deposit: Approximately HK\$3.1 million in aggregate (representing three months of the average monthly basic rent/licence fee, operating charges, promotion levy and rates), which has been paid by the Tenant to the Landlord upon signing of the Lease and Licence Agreements.

Fit out subsidy: In consideration of the Tenant agreeing to take up the Lee Garden Two Lease and subject to the Tenant's having duly complied with the terms of the Lee Garden Two Lease, the Landlord agrees to subsidise the Tenant's fit out cost spent in respect of the Premises up to the maximum 40% of the total fit out costs provided that such subsidy shall in any event not exceed HK\$11.0 million in total.

Specific user and business name: Gonpachi and An Nam

Use: Restaurant operation in Japanese and Vietnamese cuisines

Basis for Determination of the Rent, licence fees and Other Information

The terms of the Lease and Licence Agreements (including the rent, licence fees and other 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, licence fees and other amounts payable by the Tenant under the Lease and Licence Agreements are expected to be financed by the internal resources of the Group.

THE RIGHT-OF-USE ASSET

Pursuant to HKFRS 16, following the execution of the Lease and Licence Agreements 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\$51.1 million, which is calculated with reference to the present value of aggregated lease payments plus initial direct costs less the Fit Out Subsidy, and estimated reinstatement cost with the Lee Garden Two Lease as discounted using a discount rate which is equivalent to the Company's incremental borrowing rate during the entire term of the Lee Garden Two Lease. As such, the Lee Garden Two Lease contemplated under the Lease and Licence Agreements will be regarded as an acquisition of asset by the Group for the purpose of the GEM Listing Rules.

Based on preliminary estimation of the Company, the value of the right-of-use asset to be recognised by the Company under the Lee Garden Two Lease shall amount to approximately HK\$51.1 million, which is the present value of aggregated lease and licence fees payments, plus initial direct costs less the fit out subsidy, and estimated reinstatement cost with the Lee Garden Two Lease in accordance with HKFRS 16. Discount rate of approximately 3.8% per annum is applied to compute the present value of aggregate lease and licence fees payments under the Lee Garden Two Lease.

IMPLICATIONS UNDER THE GEM LISTING RULES

Major Transaction

As disclosed in the announcement of the Company dated 30 August 2022, the Group signed a lease agreement with a group company of Hysan Group to renew the lease of premises in Lee Garden Two to operate our restaurant under 10 Shanghai brand. For details, please refer to the announcement of the Company dated 30 August 2022. As at the date of this announcement, the Group has not received the fully executed lease agreement in respect of the 10-Shanghai Lease from the relevant landlord.

As the landlord and licensor for the Lee Garden One Lease, the landlord for the 10-Shanghai Lease and the Landlord are all group companies of the Hysan Group, the three transactions are aggregated and treated as if they were one transaction. As one or more applicable percentage ratios (as defined in the GEM Listing Rules) based on the value of the right-of-use asset to be recognised by the Group pursuant to HKFRS 16 in respect of (i) the Lee Garden Two Lease and (ii) the Lee Garden Two Lease in aggregation with the Lee Garden One Lease and the 10-Shanghai Lease exceeds 25% but all such applicable percentage ratios are less than 100%, the Lee Garden Two Lease (itself and in aggregation with the Lee Garden One Leases and 10-Shanghai Lease) constitute a major transaction of the Company and is accordingly subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Under Rule 19.44 of the GEM Listing Rules, Shareholders' approval for a major transaction may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the transaction; and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction. The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, none of the Landlord and Hysan is a Shareholder and therefore no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the Lee Garden Two Lease. The Controlling Shareholder is beneficially interested in 274,350,000 Shares, representing 71.45% of the total number of issued Shares as at the date of this announcement, and it has given written approval to the Company to approve the Lee Garden Two Lease in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. The Controlling Shareholder has also confirmed that neither it nor any of its associates have any material interest in the Lee Garden Two Lease. Accordingly, no general meeting will be held by the Company for approving the Lee Garden Two Lease.

A circular containing, among other things, details of the Lee Garden Two Lease will be despatched to the Shareholders in accordance with the GEM Listing Rules in due course. The Company currently expects to despatch the circular on or before 3 October 2022.

Connected Transaction

The Group operates two restaurants offering Japanese and Shanghainese cuisines in Lee Garden Two in joint venture with Hysan Group. The two joint venture companies that operate the two restaurants are subsidiaries of the Company and each of them is owned as to 29% by Hysan Group. Accordingly, Hysan Group (including the Landlord) is a connected

person of the Company at the subsidiary level and the acquisition of right-of-use assets by the Group pursuant to HKFRS 16 under the Lee Garden Two Lease also constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. None of the Directors have a material interest in the Lee Garden Two Lease or is required to abstain from voting on the resolution of the Board approving the Lee Garden Two Lease. Given that the Board has approved the Lee Garden Two Lease and the independent non-executive Directors have confirmed that the terms of the Lee Garden Two Lease are (i) fair and reasonable, (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group, and (iii) in the interests of the Company and its shareholders as a whole, the Lee Garden Two Lease, as a connected transaction, is exempted from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 20.99 of the GEM Listing Rules. Particulars of the Lee Garden Two Lease will also be included in the annual report of the Company for the year ending 31 December 2022.

Continuing Connected Transaction

In addition, the payment of turnover rent and other charges to the Landlord under the Lee Garden Two Lease constitutes a continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules. Annual caps for Lee Garden Two Lease for the years ending 31 December 2022, 2023 and 2024 have been set according to Rule 20.51 of the GEM Listing Rules.

EXISTING ANNUAL CAPS FROM 2019 TO 2024 AND HISTORICAL FIGURES FROM 2019 TO 2022

The existing annual caps for the maximum amount payable under various leases and licence agreements with Hysan Group for the years ended/ending 31 December 2019, 2020, 2021, 2022, 2023 and 2024 (inclusive of rent, licence fee, operating charges and promotion levy but exclusive of rates and other outgoings) are as follows:

	For the year ended/ending 31 December					
	2019	2020	2021	2022	2023	2024
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>
Annual caps for rent, licence fees and other charges						
Lee Garden One Lease	0.3	0.6	0.6	0.5	0.5	—
Lease for premises for operation of Ta Ke restaurant	7.8	7.9	8.2	8.2	—	—
Expiring 10-Shanghai Lease	6.9	7.0	7.3	7.3	—	—
10-Shanghai Lease	—	—	—	0.7	2.9	2.2
Total	<u>15.0</u>	<u>15.5</u>	<u>16.1</u>	<u>16.7</u>	<u>3.4</u>	<u>2.2</u>
Historical amounts paid by the Group⁽¹⁾	<u>12.9</u>	<u>12.1</u>	<u>15.2</u>	<u>8.5</u>	<u>—</u>	<u>—</u>

Notes:

- (1) These amounts represented the actual amounts incurred for each year up to the date of this announcement.

ANNUAL CAPS FOR LEE GARDEN TWO LEASE

The payment of turnover rent and other charges to the Landlord under the Lee Garden Two Lease constitutes a continuing connected transaction, and the annual caps for the Lee Garden Two Lease for the years ending 31 December 2022, 2023, 2024, 2025, 2026, 2027, 2028 and 2029 have been set according to Rule 20.21 of the GEM Listing Rules.

Taking into account the terms of and based on the Lee Garden Two Lease and the historical revenue derived from both of the Gonpachi Restaurant and An Nam restaurant, the Company estimates that the annual caps for the Lee Garden Two Lease for the year ending 31 December 2022, 2023, 2024, 2025, 2026, 2027, 2028 and 2029 (inclusive of estimated turnover rent and other charges) and are as follows:

For the year ending 31 December							
2022	2023	2024	2025	2026	2027	2028	2029
HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
million	million	million	million	million	million	million	million

Annual Cap for turnover rent and other charges

Lee Garden Two
Lease

<u>0.8</u>	<u>2.9</u>	<u>2.9</u>	<u>2.9</u>	<u>2.9</u>	<u>2.9</u>	<u>2.9</u>	<u>0.3</u>
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Basis of the annual caps

The annual caps for the Lee Garden Two Lease have been estimated primarily based on the turnover rent and other charges payable by the Group under the Lee Garden Two Lease. The amount of turnover rent was estimated with reference to the highest historical turnover of Gonpachi Restaurant and An Nam Restaurant in 2021 and the range of rates of turnover rent under Lee Garden Two Lease. The Directors consider that the annual caps have been reasonably determined pursuant to Rule 20.51(2) of the GEM Listing Rules.

TERM OF LEE GARDEN TWO LEASE EXCEED THREE YEARS

Pursuant to Rule 20.50 of the GEM Listing Rules, the period for the agreement for a continuing connected transaction, among others, must not exceed three years except in special circumstances where the nature of the transaction requires a longer period. In such case, Company must appoint an independent financial adviser to explain why the agreement requires a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration.

As the term of the Lee Garden Two Lease exceed three years, the Company has appointed DL Securities (HK) Limited as the independent financial adviser to provide its view on whether the Lee Garden Two Lease requires a longer period and to confirm that it is normal business practice for the Lease and Licence Agreement to be with a term of approximately six years and four months. The Independent Financial Adviser is of the view the Lee Garden Two Lease requires a longer period and confirms that it is normal business practice for the Group to enter in leases with a term of approximately six years and four months, taking into account that (a) a longer lease term can allow sufficient time for the Group to recover the costs of the Relocation; (b) a longer lease term can provide stability and avoid business interruption on the operation of the restaurants; (c) the terms of leases entered into by the Group and Independent Third Parties for opening new restaurant are comparable to the term of the Lee Garden Two Lease; and (d) the term of Lee Garden Two Lease is comparable with the industry practice of similar lease agreements identified by the Independent Financial Adviser with reference to the exhaustive list of comparable transactions entered into between companies listed on the Stock Exchange with their connected persons involving the leasing or licencing of premises for operation of restaurants or coffee shops for a term exceeding three years.

Taking into account (i) that the terms of leases entered into by the Group and Independent Third Parties for opening new restaurant (whether under existing or new brands) generally exceed three years or has option for tenant to renew the term (such that the original term and the renewed term together exceed three years), such that the Group will have longer time to recover its initial investments in starting a new restaurant; (ii) the fit out costs expected to be incurred by the Group for fitting out the Premises for Gonpachi Restaurant and An Nam Restaurant; (iii) the Fit Out Subsidy provided under the Lease and Licence Agreements; (iv) the expected time required for the Group to recover its initial investments in the Relocation; and (v) the view of the Independent Financial Adviser as disclosed above, the Directors consider that the term of the Lee Garden Two Lease of approximately six years and four months is required for the Group and is normal business practice of the Group.

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 subsidiary indirectly wholly-owned by the Company and is principally engaged in operation of restaurants.

INFORMATION OF THE LANDLORD

The Landlord is an indirectly wholly-owned subsidiary of Hysan, and is principally engaged in property investment. Hysan Group is principally engaged in property investment, management and development, and its turnover and results are principally derived from investment properties located in Hong Kong.

The Landlord and Hysan are not Shareholders. The Landlord and its ultimate beneficial owners are the Independent Third Parties.

REASONS FOR AND BENEFITS OF THE LEE GARDEN TWO LEASE

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.

As disclosed in the paragraph headed “Early Termination of the Existing Lease and Licence Agreements for Gonpachi Restaurant and An Nam Restaurant in Lee Garden One”, on 29 August 2022, the landlord of the Lee Garden One Lease served written notice to the Group to early terminate the Lee Garden One Lease on 31 January 2023 due to its plan for renovation works to be carried out at Lee Garden One. As such, the Group has to identify appropriate locations for the Relocation and consider that the Premises to be an appropriate location taking into account factors such as the area of Premises, its proximity to current location of the two restaurants, the environment, terms of the lease, etc.. Given that the term of the Lee Garden Two Lease will commence on 8 October 2022, the Group expects to have sufficient time to complete the fitting out works for the Relocation prior to the termination of the Lee Garden One Lease, and the Relocation is expected to take place shortly following termination of the Lee Garden One Lease. On such basis, the Directors consider that the Relocation will not cause material disruption to the Group’s business operations or financial conditions. By agreeing to take up the Lee Garden Two Lease, the Tenant also enjoys the benefits of the Fit Out Subsidy subject to compliance with the terms of the Lee Garden Two Lease.

The Board believes that, taking into account of the historical performance of the Gonpachi Restaurant and An Nam Restaurant, entering into of the Lee Garden Two Lease will have a positive impact on the future development of the Company. Having taken into account the above reasons and benefits, the Board is of the view that the terms of the Lease and Licence Agreements are fair and reasonable and the Lee Garden Two Lease contemplated thereunder is in the interests of the Company and its shareholders as a whole.

GENERAL

Given that the Lease and Licence Agreements are still subject to execution by the Landlord, there may be a time gap between the execution of the Lease and Licence Agreements by the Tenant and the receipt of fully executed Lease and Licence Agreements by the Group. The Company will keep the market updated on this matter and publish an announcement regarding the Lee Garden Two Lease if and when the fully executed Lease and Licence Agreements are received by the Group.

DEFINITIONS

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

“10-Shanghai Lease”	the leasing of certain premises in Lee Garden Two by the Group from a group company of Hysan Group to operate our restaurant under the 10 Shanghai brand, details of which is set out in the announcement of the Company dated 30 August 2022
“An Nam Restaurant”	a restaurant under the An Nam brand currently located in Lee Garden One operated by the Group which serves Vietnamese cuisine
“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
“Controlling Shareholder”	Real Hero Ventures Limited, a controlling Shareholder which is beneficially interested in 274,350,000 Shares, representing 71.45% of the total number of issued Shares as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Expiring 10-Shanghai Lease”	the lease agreement in respect of the lease of certain premises in Lee Garden Two for operation of a restaurant under 10-Shanghai brand, details of which are set out in the paragraphs headed “Non-fully Exempt Continuing Connected Transactions — Leases and licence of premises from substantial shareholder of our subsidiaries — Connected Leases and Licence Agreements with Hysan Group” in the prospectus of the Company dated 23 November 2017
“Fit Out Subsidy”	the fit out subsidy to be provided by the Landlord to the Tenant under the Lee Garden Two Lease subject to the Tenant’s compliance with the terms thereof. For details, please see the paragraphs headed “The Lease and Licence Agreements — Fit out subsidy”
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Gonpachi Restaurant”	a restaurant under the Gonpachi brand currently located in Lee Garden One operated by the Group which serves Japanese cuisine
“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 People’s Republic of China
“Hysan”	Hysan Development Company Limited, a company incorporated in Hong Kong on 20 October 1970 and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00014), is a joint venture partner of the Company and connected person at the subsidiary level
“Hysan Group”	Hysan and its subsidiaries from time to time, each of which is a connected person of the Company at the subsidiary level
“Independent Financial Adviser”	DL Securities (HK) Limited, a licensed corporation under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed the Company to opine on the term of the Lee Garden Two Lease
“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” or “Licensor”	Barrowgate Limited, a wholly-owned subsidiary of Hysan
“Lease and Licence Agreements”	one lease agreement and two licence agreements signed by the Tenant on 9 September 2022 in relation to the leasing/licensing of the Premises
“Lee Garden One Lease”	the leasing and licensing of certain premises in Lee Garden One by a wholly-owned subsidiary of the Company (as tenant) for operating Gonpachi Restaurant and An Nam Restaurant, details of which were set out in the announcement of the Company dated 25 May 2022

“Lee Garden Two Lease”	the leasing and licensing of certain premises in Lee Garden Two by a wholly-owned subsidiary of the Company (as tenant) under the Lease and Licence Agreements for the Relocation
“Premises”	(1) Shop Nos. 301–306, 307–308 and 311, Third Floor, (2) Shop No. 310, Third Floor, and (3) roof garden of Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong
“Relocation”	the relocation of Gonpachi Restaurant and An Nam Restaurant from Lee Garden One to Lee Garden Two following early termination of the Lee Garden One Lease
“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
“Tenant” or “Licensee”	Gonpachi Restaurant Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“%”	per cent

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

Hong Kong, 9 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.