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**1957 & Co. (Hospitality) Limited**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8495)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
RENEWAL OF TENANCY AGREEMENT  
FOR AN EXISTING THAI CUISINE RESTAURANT  
IN ELEMENT**

**RENEWAL OF TENANCY AGREEMENT FOR AN EXISTING THAI CUISINE RESTAURANT IN ELEMENT**

On 29 August 2024, the New Tenancy Agreement in respect of the renewal of the Tenancy of the Premises in Element was entered into between an indirectly wholly-owned subsidiary of the Company and the Landlord, and pursuant to which, the term of the Tenancy will be renewed for three (3) years from 1 September 2024 to 31 August 2027. We are currently operating our restaurant under the Mango Tree brand at the Premises.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

Pursuant to HKFRS 16, as a result of the renewal of the Tenancy, the Group shall recognise an additional asset representing its right to use the Premises in the amount of approximately HK\$18.7 million, which is calculated with reference to the present value of the aggregated base rent payable plus initial direct costs and estimated reinstatement cost with the Tenancy as discounted using a discount rate which is equivalent to the Company's incremental borrowing rate during the entire term of the New Tenancy Agreement. As such, the Tenancy is regarded as an acquisition of asset by the Group for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transaction contemplated under the New Tenancy Agreement based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceeds 5% but less than 25%, the Tenancy 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.

## **RENEWAL OF TENANCY AGREEMENT FOR AN EXISTING THAI CUISINE RESTAURANT IN ELEMENT**

The Board is pleased to announce that on 29 August 2024, after negotiation and discussion among the Group and the Landlord, the New Tenancy Agreement in respect of the renewal of the Tenancy of the Premises was signed by an indirectly wholly-owned subsidiary of the Company.

### **THE NEW TENANCY AGREEMENT**

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

Tenant:	1957 & Co. (Management) Limited	
Landlord:	MTR Corporation Limited	
Date of signing the New Tenancy Agreement	29 August 2024	
Premises for the Lease:	Shop 2032–33, Second level at Elements, 1 Austin Road West, Kowloon, Hong Kong	
Term of the Lease:	Three (3) years commencing from 1 September 2024 to 31 August 2027 (both days inclusive)	
Base rent:	<b>Period</b>	<b>Monthly basic rent</b>
	From 1 September 2024 to 31 August 2025	Approximately HK\$550,000
	From 1 September 2025 to 31 August 2026	Approximately HK\$550,000
	From 1 September 2026 to 31 August 2027	Approximately HK\$560,000
Management fee and air-conditioning charge:	Approximately HK\$140,000 per month, which may be varied by the Landlord at its sole discretion from time to time.	
Promotion fee:	Approximately HK\$11,000 per month, which may be varied by the Landlord at its sole discretion from time to time.	

The aggregate value of consideration payable:

The aggregate value of consideration payable under the New Tenancy Agreement including the base rent, the management fee and air-conditioning charge, and the promotion fee by the Tenant is approximately HK\$25.3 million, which will be satisfied by internal resources of the Group. All base rent and other charges shall be paid monthly in advance on the first day of each calendar month.

The Tenant is also subject to a turnover rent of 12.5% during the term of the Lease which, if there is any, shall be paid in arrears on the fifteenth day of each calendar month.

The terms under the New Tenancy Agreement is determined after arm's length negotiations between the Group and the Landlord, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises for the Lease.

Deposit:

Approximately HK\$2.1 million, of which (1) approximately HK\$2 million currently held by the Landlord as security deposit under the Existing Tenancy Agreement would be transferred by the Landlord towards part payment of the deposit under the New Tenancy Agreement at the expiration of the term of the Existing Tenancy Agreement on 31 August 2024, and (2) approximately HK\$45,000 has been paid by the Tenant to the Landlord by cheque upon signing of the New Tenancy Agreement.

Permitted use:

Operation of a fine-dining cuisine restaurant and bar offering high-quality authentic and modern Thai cuisines on an all-day operation basis in the name and brand of "Mango Tree Hong Kong" only.

## **BASIS FOR DETERMINATION OF THE RENT AND OTHER INFORMATION**

The terms of the New Tenancy Agreement was determined after arm's length negotiations between the Group and the Landlord, with reference to the prevailing market terms for properties of similar type, age and location. The rental and other amounts payable by the Tenant under the New Tenancy Agreement are expected to be financed by the internal resources of the Group.

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

Pursuant to HKFRS 16, as a result of the renewal of the Tenancy, the Group shall recognise an additional asset representing its right to use the Premises. As such, the Tenancy will be regarded as an acquisition of asset by the Group for the purpose of the GEM Listing Rules. Based on the preliminary estimation of the Company, the value of the right-of-use asset to be recognised by the Company under the Tenancy shall amount to approximately HK\$18.7 million, which is the present value of the aggregated base rent payable, plus initial direct costs and estimated reinstatement cost with the Tenancy in accordance with HKFRS 16. Discount rate of approximately 5.6% per annum, which is equivalent to the Company's incremental borrowing rate during the entire term of the New Tenancy Agreement, is applied to compute the present value of the aggregate lease payments under the Tenancy.

## **INFORMATION OF THE GROUP**

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 an indirectly wholly-owned subsidiary of the Company and is principally engaged in the operation of restaurant.

## **INFORMATION OF THE LANDLORD**

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Landlord is principally engaged in the following core businesses: railway design, construction, operation, maintenance and investment in Hong Kong, Macau, Mainland China and a number of overseas cities; project management in relation to railway and property development businesses in Hong Kong and Mainland China; station commercial business including leasing of station retail space, leasing of advertising space inside trains and stations, and enabling of telecommunication services on the railway system in Hong Kong; property business including property development and investment, management and leasing management of investment properties (including shopping malls and offices) in Hong Kong and Mainland China; investment in Octopus Holdings Limited; provision of railway management, engineering and technology training; and investment in relevant new technologies (a company whose shares are listed on the Stock Exchange with stock code 66), and the Landlord and its ultimate beneficial owners are the Independent Third Parties.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW 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 our current operating restaurants, Mango Tree, is situated at the Premises. The Existing Tenancy Agreement is going to be expired on 31 August 2024. The Board believes that, taking into account of the historical performance of such restaurant, the renewal of the Tenancy 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 New Tenancy Agreement are fair and reasonable and the transaction contemplated thereunder is in the interests of the Company and its shareholders as a whole.

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

Pursuant to HKFRS 16, as a result of the renewal of the Tenancy, the Group shall recognise an additional asset representing its right to use the Premises in the amount of approximately HK\$18.4 million calculated with reference to the present value of the aggregated base rent payable plus initial direct costs and estimate reinstatement cost with the Tenancy as discounted using a discount rate which is equivalent to the Company's incremental borrowing rate during the entire term of and the New Tenancy Agreement. As such, the Tenancy is regarded as an acquisition of asset by the Group for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transaction contemplated under the New Tenancy Agreement based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 exceeds 5% but less than 25%, the Tenancy 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.

## **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, 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
“Existing Tenancy Agreement”	the lease agreement entered into between the Landlord and the Tenant on 28 September 2022 in relation to the leasing of the Premises
“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 and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates
“Landlord”	MTR Corporation Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 66)
“New Tenancy Agreement”	the tenancy agreement entered into between the Landlord and the Tenant on 29 August 2024
“PRC”	the People’s Republic of China
“Premises”	Shop 2032–33, Second level at Elements, 1 Austin Road West, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy”	the leasing of the Premises by the Tenant under the terms set out in the New Tenancy Agreement
“Tenant”	1957 & Co. (Management) 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, 29 August 2024

*As of the date of this announcement, the executive directors are Mr. Wong Chi Wing Kinson, Mr. Kwok Chi Po, Mr. Lau Ming Fai, Ms. Tsui Ngan Fun and Ms. Lin Huiqin; 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 at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of publication and on the website of the Company at [www.1957.com.hk](http://www.1957.com.hk).*