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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 THE WAI**

THE TENANCY AGREEMENT

The Board announces that on 8 July 2022, Petit An Nam (YOHO Midtown) Restaurant Limited, a wholly-owned subsidiary of the Company (as the Tenant), signed the Tenancy Agreement with MTR Corporation Limited in relation to the leasing of the Premises for a term of three years commencing from 22 December 2022 to 21 December 2025 (with the Tenant's option to renew for a further term of three years to 21 December 2028) for the opening of a new restaurant serving Huaiyang/Shanghainese cuisine under the trade name of "Modern Shanghai" in The Wai of Sha Tin.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios in respect of the Lease are greater than 5% but 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.

IMPLICATIONS UNDER THE TAKEOVERS CODE

For the purpose of Rule 4 of the Takeovers Code, having obtained written consent from the Offeror on the proceeding of the Tenancy Agreement, the Company has applied for, and the Executive has indicated that it is minded to grant to the Company, a waiver from the general requirement to obtain approval of the Shareholders under Rule 4 of the Takeovers Code.

INTRODUCTION

The Board announces that on 8 July 2022, Petit An Nam (YOHO Midtown) Restaurant Limited, a wholly-owned subsidiary of the Company (as the Tenant), signed the Tenancy Agreement to lease the Premises for a term of three years commencing from 22 December 2022 to 21 December 2025 (with the Tenant's option to renew for a further term of three years to 21 December 2028) for the opening of a new restaurant serving Huaiyang/Shanghainese cuisine under the trade name of "Modern Shanghai" in The Wai of Sha Tin.

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

THE TENANCY AGREEMENT

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

Date:	8 July 2022
The Landlord:	MTR Corporation Limited
The Tenant:	Petit An Nam (YOHO Midtown) Restaurant Limited
The Premises:	Shop Unit 334, The Wai, Sha Tin Town Lot No. 520, Sha Tin, New Territories
Term:	Three (3) years commencing from 22 December 2022 to 21 December 2025 (both days inclusive) (with the Tenant's option to renew for a further term of three (3) years from 22 December 2025 to 21 December 2028 (both days inclusive)) and a rent free period of days from 22 December 2022 to 31 March 2023 (both days inclusive)
The aggregate value of consideration payable:	The aggregate value of consideration payable under the Tenancy Agreement including base rent, management fee and air-conditioning charges and promotion fee by the Tenant is approximately HK\$14.6 million, which will be satisfied by internal resources of the Group or the bank borrowings (if available). The base rent shall be paid monthly in advance on the first day of each calendar month. The Tenant is also subject to a turnover rent of 11.0% during the first three (3) years term of the Lease and at 11.5% during the three (3) years option term. The terms under the Tenancy Agreement 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\$1.5 million (representing three months of the average monthly basic rent, three months management fee and air-conditioning charges and other outgoings), which has been paid by the Tenant to Landlord by cash upon signing of the Tenancy Agreement.

Bank guarantee in lieu of surety deed: Approximately HK\$1.3 million (representing three months of the average monthly basic rent and three months management fee and air-conditioning charges), which has been paid by the Tenant to Landlord in the form of a bank guarantee or in the form of additional cash deposit.

Use: Huaiyang/Shanghai cuisine under the trade name of “Modern Shanghai”

Based on information provided by the Landlord, the lettable area of the Premises is approximately 5,000 square feet.

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 Lease shall amount to approximately HK\$14.3 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 2.70% per annum is applied to compute the present value of aggregate lease payments under the terms of the Tenancy Agreement.

INFORMATION OF THE TENANT

The Tenant is a wholly-owned subsidiary of the Company and is principally engaged in the operating of restaurants and will operate the restaurant with the brand of “Modern Shanghai”.

INFORMATION OF MTR CORPORATION LIMITED

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, MTR Corporation Limited and its subsidiaries are 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 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. As stated in the annual report of the Company for the year ended 31 December 2021, the management of the Company has taking into account of the latest economic development, change in consumer spending pattern, increase in vacancy rate of shopping centres and the latest available resources of the Group, the Group may consider opening new restaurants with concepts with proven track records, lower capital expenditures and/or more favourable rental package. The Group is in the advanced stage of discussions with a few landlords regarding the leasing of certain units in shopping malls for restaurant operation.

Meanwhile, the Group is experienced in operating restaurants serving Huaiyang/Shanghainese cuisine in Hong Kong, and currently operating three restaurants offering Huaiyang/Shanghainese cuisine in Causeway Bay, Yuen Long and Olympian City. Taking into account of, among other things, the existing restaurants around the Premises, the performance of the existing restaurants of the Group (in particular the restaurants offering Huaiyang/Shanghainese cuisine), the customers' feedbacks and demands on the existing restaurants of the Group, the location of the Premises and the prevailing market price for comparable premises in the vicinity of the Premises, the Board considers that the terms of the Tenancy Agreement are fair and reasonable, and the entering into of the Tenancy Agreement for the opening of a new restaurant serving Huaiyang/Shanghainese cuisine at the Premises is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the applicable percentage ratios in respect of the Lease are greater than 5% but 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.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Reference is made to the joint announcements of the Company and the Offeror dated 1 June 2022 and 22 June 2022 in respect of, amongst others, the Offer.

The Tenancy Agreement constitutes frustrating action under Rule 4 of the Takeovers Code. For the purpose of Rule 4 of the Takeovers Code, having obtained written consent from the Offeror on the proceeding of the Tenancy Agreement, the Company has applied for, and the Executive has indicated that it is minded to grant to the Company, a waiver from the general requirement to obtain approval of the Shareholders under Rule 4 of the Takeovers Code.

GENERAL

Given the Tenancy Agreement is still subject to the execution by the Landlord and there may be a time gap between the execution of the Tenancy Agreement and the receipt of executed Tenancy Agreement by the Group. The Company will keep the market updated on the matter and publish an announcement regarding the Tenancy Agreement.

TERMS USED IN THIS ANNOUNCEMENT

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
“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, and is not acting in concert (as defined in the Takeovers Codes) with the Company
“Landlord”	MTR Corporation Limited, being the landlord of the Premises
“Lease”	the leasing of the Premises by the Tenant under the terms set out in the Tenancy Agreement

“Offer”	the mandatory conditional cash offer by Silverbricks Securities Company Limited for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it), and the details of which were set out in the joint announcement of the Company and the Offeror dated 1 June 2022
“Offeror”	Real Hero Ventures Limited, being the offeror of the Offer
“PRC”	the People’s Republic of China
“Premises”	Shop Unit 334, The Wai, Sha Tin Town Lot No. 520, Sha Tin, New Territories
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers
“Tenancy Agreement”	the Tenancy Agreement signed by the Tenant on 8 July 2022 in relation to the leasing of the Premises
“Tenant”	Petit An Nam (YOHO Midtown) Restaurant Limited, a company incorporated in Hong Kong with limited liability, is 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, 8 July 2022

As of the date of this announcement, the executive Directors are Mr. Kwok Chi Po, Mr. Kwan Wing Kuen Tino and Mr. Lau Ming Fai; the non-executive Directors are Mr. Leung Chi Tien Steve and Ms. Chan Siu Wan; and the independent non-executive Directors are Mr. How Sze Ming, Mr. Ng Wai Hung and Mr. Chan Kam Kwan Jason.

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in 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.