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

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE TENANCY AGREEMENT OF
A NEW RESTAURANT IN THE V WALK**

THE TENANCY AGREEMENT AND THE LICENCE AGREEMENT

The Board announces that on 16 September 2024, Sushi Ta-ke Limited (an indirectly wholly-owned subsidiary of the Company) as the Tenant entered into the Tenancy Agreement and the Licence Agreement with the Agent in relation to the leasing of the Premises in the V Walk for a term of three (3) years commencing from 5 December 2024 to 4 December 2027 (with an option to renew for a further term of three (3) years to 4 December 2030). The Group plans to operate a new restaurant serving Shanghai cuisine under the trade name of “Modern Shanghai Imperial” in the Premises.

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to HKFRS 16, following the execution of the Tenancy Agreement and the Licence Agreement by both the Agent and the Tenant, the Group shall recognise an additional asset representing its right to use the Premises in the amount of approximately HK\$8.8 million which is calculated with reference to the present value of aggregated base rent payable plus initial direct costs and estimated reinstatement cost with the Lease and the Licence as discounted using a discount rate which is equivalent to the Company’s incremental borrowing rate during the entire term of the Lease and the Licence. As such, the transaction contemplated under the Tenancy Agreement and the Licence Agreement will be 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 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 Transaction 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.

INTRODUCTION

The Board announces that on 16 September 2024, Sushi Ta-ke Limited (an indirectly wholly-owned subsidiary of the Company) as the Tenant entered into the Tenancy Agreement with the Agent in relation to the leasing of the Premises for a term of three (3) years commencing from 5 December 2024 to 4 December 2027 (with an option to renew for a further term of three (3) years to 4 December 2030). The Group plans to operate a new restaurant serving Shanghai cuisine under the trade name of “Modern Shanghai Imperial” in the Premises.

THE TENANCY AGREEMENT

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

Tenant:	Sushi Ta-ke Limited	
Landlord:	JOINYIELD Limited	
Agent of the Landlord:	Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited	
Date of signing by the Tenant	16 September 2024	
Premises for the Tenancy:	Shop No. L2-26, 2/F, V Walk, 28 Sham Mong Road, Sham Shui Po, Kowloon, Hong Kong	
Term of the Tenancy:	Three (3) years commencing from 5 December 2024 to 4 December 2027 (both days inclusive) (with an option to renew for a further term of three (3) years to 4 December 2030)	
Monthly Rental:	Period	Monthly rental
	From 5 December 2024 to 4 December 2027	Either approximately HK\$250,000 per calendar month, or 10.5% of the monthly gross receipts, whichever is higher
	From 5 December 2027 to 4 December 2030	Either approximately between HK\$250,000 and HK\$280,000 per calendar month, or 12% of the monthly gross receipts, whichever is higher
Air conditioning and management charges:	Approximately HK\$80,000 per calendar month, which may be varied by the Landlord at its sole discretion from time to time.	

Promotional levy:	Approximately HK\$12,000 per calendar month, which may be varied by the Landlord at its sole discretion from time to time.
The aggregate value of consideration payable:	<p>The aggregate value of consideration payable under the Tenancy Agreement including the monthly rental, the air conditioning and management charges, and the promotional levy by the Tenant is approximately HK\$12.1 million, which will be satisfied by internal resources of the Group. All monthly rental and other charges shall be paid monthly in advance on the first day of each calendar month.</p> <p>The terms under the Tenancy Agreement is determined after arm's length negotiations between the Group and the Agent, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises.</p>
Deposit:	Approximately HK\$1.0 million (representing three (3) months' base rent, air-conditioning and management charge and promotional levy), which has been paid by the Tenant to the Agent upon signing of the Tenancy Agreement.
Rent free period:	Half (0.5) a month after commencement of lease term, or the Tenant's commencement of business at the Premises, whichever is earlier.
Permitted use:	Operation of a Shanghainese restaurant trading under the name of "Modern Shanghai Imperial (御•家上海)" only

THE LICENCE AGREEMENT

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

Licensee:	Sushi Ta-ke Limited
Licensor:	JOINYIELD Limited
Agent of the Licensor:	Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited
Date of signing by the Licensee:	16 September 2024
Premises for the Licence:	Shop No. L2-26, 2/F, V Walk, 28 Sham Mong Road, Sham Shui Po, Kowloon, Hong Kong
Term of the Licence:	Three (3) months commencing from 5 September 2024 to 4 December 2024 (both days inclusive)
Licence fee:	HK\$1 for the whole term of the Licence

Air conditioning and management charges:	Approximately HK\$80,000 per calendar month, which may be varied by the Licensor at its sole discretion from time to time.
Promotional levy:	Approximately HK\$12,000 per calendar month, which may be varied by the Licensor at its sole discretion from time to time.
The aggregate value of consideration payable:	<p>The aggregate value of consideration payable under the Licence Agreement including the licence fee, the air conditioning and management charges, and the promotional levy by the Licensee is approximately HK\$0.3 million, which will be satisfied by internal resources of the Group. All licence fee and other charges has been paid by the Licensee to the Agent upon signing of the Licence Agreement.</p> <p>The terms under the Licence Agreement is determined after arm's length negotiations between the Group and the Agent, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises for the Licence.</p>
Permitted use:	Operation of a Shanghainese restaurant trading under the name of “Modern Shanghai Imperial (御•家上海)” only

BASIS FOR DETERMINATION OF THE RENT AND OTHER INFORMATION

The terms of the Tenancy Agreement and the Licence Agreement were determined after arm's length negotiations between the Group and the Agent, 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 Tenancy Agreement and by the Licensee under the Licence 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 and the Licence Agreement shall amount to approximately HK\$8.8 million, which is the present value of aggregated base rent payable, plus initial direct costs and estimated reinstatement cost with the Lease and the Licence in accordance with HKFRS 16. Discount rate of approximately 5.6% per annum is applied to compute the present value of aggregate lease payments under the Transaction.

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 business of property trading and investment whereas the Agent is principally engaged in the business of real estate and general agencies. The Landlord, the Agent and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO 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. The Group is experienced in operating restaurants serving Shanghai cuisine in Hong Kong, and currently operating five (5) restaurants offering Shanghai cuisine in Yoho Mall, Olympian City, East Point City, The Wai and The LOHAS. 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 Shanghai 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 and the Licence Agreement are fair and reasonable, and entering into the Tenancy Agreement and the Licence Agreement for the opening of a new restaurant serving Shanghai cuisine at the Premises is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to HKFRS 16, following the execution of the Tenancy Agreement and the Licence Agreement by both the Agent and the Tenant, the Group shall recognise an additional asset representing its right to use the Premises in the amount of approximately HK\$8.8 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 and the Licence as discounted using a discount rate which is equivalent to the Company's incremental borrowing rate during the entire term of the Lease and the Licence. As such, the Transaction will be 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 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 Transaction 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:

“Agent”	Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, a company incorporated in Hong Kong with limited liability, the duly authorised agent of the Landlord, and an indirect principal subsidiary of Sun Hung Kai Properties Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 16)
“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 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” or “Licensor”	Joinyfield Limited, a company incorporated in Hong Kong with limited liability, the landlord and the licensor of the Premises, and an indirect principal subsidiary of Sun Hung Kai Properties Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 16)
“Lease”	the leasing of the Premises by the Tenant under the terms set out in the Tenancy Agreement
“Licence”	the licensing of the Premises for the Licence by the Licensee under the terms set out in the Licence Agreement
“Licence Agreement”	the licence agreement signed by the Licensee on 16 September 2024 in relation to the Premises
“PRC”	the People’s Republic of China
“Premises”	Shop No. L2–26, 2/F, V Walk, 28 Sham Mong Road, Sham Shui Po, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the Tenancy Agreement signed by the Tenant on 16 September 2024 in relation to the leasing of the Premises
“Tenant” or “Licensee”	Sushi Ta-ke Limited, a company incorporated in Hong Kong with limited liability, and an indirectly wholly-owned subsidiary of the Company
“Transaction”	the leasing of the Premises for the Lease by the Tenant under the terms set out in the Tenancy Agreement and the licensing of the Premises for the Licence by the Licensee under the terms set out in the Licence Agreement
“%”	per cent

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

Hong Kong, 16 September 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. Lung Pui Ying Amy.

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 for at least 7 days from the date of publication and on the website of the Company at www.1957.com.hk.