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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
RENEWAL OF TENANCY FOR AN EXISTING
SHANGHAI CUISINE RESTAURANT IN YOHO MALL**

**THE RENEWAL OF TENANCY AGREEMENT FOR AN EXISTING
SHANGHAI CUISINE RESTAURANT IN YOHO MALL**

On 8 April 2021, the Tenancy Agreement in respect of the renewal of the tenancy of the Modern Shanghai Premises in YOHO MALL was signed by a wholly-owned subsidiary of the Company pursuant to which the expiry of the lease term of the Modern Shanghai Premises will be extended from 31 May 2021 to 31 May 2023. One of our restaurants under Modern Shanghai brand is currently operating at the Modern Shanghai Premises.

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

Pursuant to HKFRS 16, following the conclusion of the Tenancy Agreement as tenant, the Group shall recognize an additional asset representing its right to use the Modern Shanghai Premises in the amount of approximately HK\$10.1 million 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 Tenancy Agreement. As such, the transaction 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 the applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the transaction contemplated under the Tenancy Agreement based on the value of the right-of-use asset recognized by the Group pursuant to HKFRS 16 exceeds 5% but 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.

THE RENEWAL OF TENANCY FOR A RESTAURANT IN YOHO MALL

The Board is pleased to announce that on 8 April 2021, after negotiations and discussions among the Group and the Landlord, the Tenancy Agreement in respect of the renewal of the tenancy of the Modern Shanghai Premises in YOHO MALL was signed by the Company.

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

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

The Tenancy Agreement

Date signed by the Company: 8 April 2021

Parties:

Tenant: 1957 & Co. (Hospitality) HK Limited, an indirectly wholly owned subsidiary of the Company

Landlord: Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Landlord is engaged in property leasing, and the Landlord and its ultimate beneficial owners are the Independent Third Parties.

Relevant Modern Shanghai Premises: Shop No. 1058, Level 1, Yoho Mall, 9 Yuen Lung Street, Yuen Long, New Territories, Hong Kong

Total gross floor area: 4,333 sq. ft.

Term of the tenancy: 2 years commencing from 1 June 2021 to 31 May 2023 (both days inclusive)

The aggregate value of consideration payable: The aggregate value of consideration payable under the Tenancy Agreement including base rent, air-conditioning, management charges and promotion levy by the Tenant is approximately HK\$10.3 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.

The Tenant is also subject to a turnover rent of 12% during term of the Lease which, if there is any, shall be paid in arrear but no later than 14th day of the following month.

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 Modern Shanghai Premises.

Deposit: Approximately HK\$1.3 million which has been paid by the Tenant to the Landlord upon signing of the Tenancy Agreement by the Tenant.

Specific user and business name: Modern Shanghai 家上海

Use: Restaurant operation in Shanghainese cuisine

Basis for Determination of the Rentals and Other Information

The terms of the Tenancy Agreement (including the rental) were determined after arm's length negotiations between the Landlord and the Tenant, with reference to the prevailing market rentals for properties of similar type, age and location and the terms of the existing lease agreement for the restaurant.

The rental 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 Group under the Tenancy Agreement shall amount to approximately HK\$10.1 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 3.5% per annum is applied to compute the present value of aggregate lease payments under the Tenancy Agreement.

Reasons for and Benefits of the Renewal 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 our current operating restaurants, Modern Shanghai, is situated at the Modern Shanghai Premises. The existing tenancy agreement of the Modern Shanghai Premises is going to expire on 31 May 2021. The Board believes that, taking into account of the historical performance of such restaurant and the terms of the Tenancy Agreement, the renewal of tenancy will be beneficial to the Group's business operation and financial results. 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 transaction contemplated thereunder is in the interests of the Company and its shareholders as a whole.

GENERAL

As the applicable percentage ratio in respect of the transaction contemplated under the 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 Lease constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but exempt from shareholders' approval requirement.

Given the Tenancy Agreement is still subject to the execution by the Landlord and there may be a time gap between the execution of 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 as and when appropriate.

TERMS USED IN THIS ANNOUNCEMENT

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

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| “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 |
| “Landlord” | Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, the landlord of the Modern Shanghai Premises |

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| “Lease” | the leasing of the Modern Shanghai Premises by the Tenant under the terms set out in the Tenancy Agreement |
| “Modern Shanghai Premises” | Shop No. 1058, Level 1, Yoho Mall, 9 Yuen Lung Street, Yuen Long, New Territories, Hong Kong |
| “PRC” | the People’s Republic of China |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tenancy Agreement” | the Tenancy Agreement signed by the Company on 8 April 2021 in relation to the renewal of leasing of the Modern Shanghai Premises by the Tenant |
| “Tenant” | 1957 & Co. (Hospitality) HK 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 April 2021

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.

This announcement will remain on the “Latest Listed Company Information” page of the website of GEM of the Stock Exchange at www.hkgem.com for a minimum period of 7 days from the date of publication and on the website of the Company at www.1957.com.hk.