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## **Top Standard Corporation**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8510)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE TENANCY AGREEMENT**

On 1 May 2022, Xxperience Lifestyle Pte. Ltd., a subsidiary of the Company, as tenant entered into the Tenancy Agreement with Ececil Pte. Ltd. as the landlord (an Independent Third Party) for the purpose of the tenancy of the Premises.

#### **GEM LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 “Leases”, the Company will recognize a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as an acquisition of asset by the Group for the purposes of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the transaction contemplated under the Tenancy Agreement exceeds 5% but less than 25%, such transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

#### **INTRODUCTION**

On 1 May 2022, Xxperience Lifestyle Pte. Ltd., a subsidiary of the Company, as tenant entered into the Tenancy Agreement with Ececil Pte. Ltd. as the landlord (an Independent Third Party) for the purpose of the tenancy of the Premises.

#### **THE TENANCY AGREEMENT**

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

- Date:** 1 May 2022
- Parties:**
- (1) Xxperience; and
  - (2) the Landlord.

The Landlord is a company incorporated in Singapore with limited liability and is principally engaged in property investment.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Landlord and its ultimate beneficial owner are Independent Third Parties. Except for the Tenancy Agreement, they do not have any relationships with the Company or its connected persons.

**Term:** Commencing from 1 May 2022 to 30 April 2026 (both days inclusive).

**Premises:** 139 Cecil Street #16-01, YSY Building, Singapore 069539.

**Rent:**

- (a) S\$6,000 (equivalent to approximately HK\$34,500) less monthly service charge plus GST thereon at the prevailing GST rate per month or 10% of monthly gross turnover plus GST thereon at the prevailing GST rate, whichever is higher during the term from 1 May 2022 to 30 April 2023;
- (b) S\$7,000 (equivalent to approximately HK\$40,250) less monthly service charge plus GST thereon at the prevailing GST rate per month or 10% of monthly gross turnover plus GST thereon at the prevailing GST rate, whichever is higher during the term from 1 May 2023 to 30 April 2024; and
- (c) S\$10,000 (equivalent to approximately HK\$57,500) less monthly service charge plus GST thereon at the prevailing GST rate per month or 10% of monthly gross turnover plus GST thereon at the prevailing GST rate, whichever is higher during the term from 1 May 2024 to 30 April 2026.

Monthly gross turnover to be calculated within 14 days from previous month.

**Service charge:** S\$1,110.83 (equivalent to approximately HK\$6,387.27) per month (at S\$0.8 (equivalent to approximately HK\$4.6) per square foot) plus GST thereon at the prevailing GST rate.

**Security deposit:** A sum of S\$28,000 (equivalent to approximately HK\$161,000).

**Total aggregate value of consideration payable:**

A sum of S\$396,000 (equivalent to approximately HK\$2,277,000) in aggregate for rent payable (excluding service charge and GST) under the entire term of the Tenancy Agreement, subject to additional turnover rent being an amount by which 10% of monthly gross turnover during the term exceeds the monthly basic rent.

The rent payable will be funded by internal resources of the Group.

**RIGHT-OF-USE ASSET**

Pursuant to HKFRS 16, as a result of the entering into of the Tenancy Agreement, the unaudited value of the right-of-use asset to be recognised by the Group under the terms of the Tenancy Agreement amounted to a sum of approximately HK\$2,027,000, which is calculated with reference to the aggregate lease payments and discounted by a discount rate.

Since the turnover rent under the Tenancy Agreement can only be reliably estimated according to the gross turnover generated from the operation of the restaurant at the Premises, such amount constitutes variable lease payments and will not be included in the measurement of the lease liability and right-of-use asset at initial recognition under HKFRS 16 Lease. Therefore, no right-of-use asset related to the turnover rent is recognised, and the turnover rent will be recognised as an expense and charged to the profit or loss of the Group in accordance with HKFRS 16 Lease.

**REASONS AND BENEFITS FOR THE TENANCY AGREEMENT**

The Company is an investment holding company and the Group is principally engaged in the operation of full-service restaurants under our self-owned brands in Hong Kong.

The Premises, which will be the restaurant of the Group, conveniently located near the MRT stations in Singapore. The terms of the Tenancy Agreement were determined after arm's length negotiations between the parties and with reference to the prevailing market rent of comparable properties in the vicinity of the Premises and the rental payment made by the Group. The Directors consider it is beneficial to enter into the Tenancy Agreement for use as restaurant of the Group, which will facilitate the future expansion and growth of the business of the Group.

The Directors consider that the terms of the Tenancy Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## IMPLICATIONS UNDER THE GEM LISTING RULES

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## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Top Standard Corporation, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM (Stock Code: 8510)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“GST”	the Goods and Services Tax levied in pursuant to the Goods and Services Tax Act, Cap. 117A of Singapore
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Third Party(ies)”	a party independent of and not connected with the Company and its connected persons
“Landlord”	Ececil Pte. Ltd., a company incorporated in Singapore with limited liability
“Premises”	139 Cecil Street #16-01, YSY Building, Singapore 069539

“S\$”	Singapore Dollars, the lawful currency of the Republic of Singapore
“Share(s)”	ordinary share(s) HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 1 May 2022 entered into between Xxperience and the Landlord in relation to the lease of the Premises
“Xxperience”	Xxperience Lifestyle Pte. Ltd., a company incorporated in Singapore with limited liability and an indirectly non wholly-owned subsidiary of the Company

*For the purpose of this announcement, unless otherwise indicated, conversion of S\$ into HK\$ is calculated at the exchange rate of S\$1.0 to HK\$5.75. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.*

By order of the Board of  
**Top Standard Corporation**  
**Chuk Stanley**  
*Chairman and Executive Director*

Hong Kong, 2 June 2022

*As at the date of this announcement, the executive Directors are Mr. Chuk Stanley and Mr. Ying Kan Man, and the independent non-executive Directors are Mr. Wong Ching Wan, Mr. Tang Chiu Ming, Jeremy and Mr. Yip Ki Chi, Luke.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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 Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its posting. This announcement will also be published on the website of the Company at [www.topstandard.com.hk](http://www.topstandard.com.hk).*