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唐宮(中國)控股有限公司
TANG PALACE (CHINA) HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1181)

CONTINUING CONNECTED TRANSACTIONS
TENANCY AGREEMENTS

Reference is made to the Announcement in relation to the continuing connected transactions entered into between the Group and Mecos Group and Dongguan Well Excellent pursuant to the Previous Tenancy Agreements. As the Expired Tenancy Agreements have expired on 31 December 2015, the Group has on 11 January 2016 entered into the Renewed Tenancy Agreements with Mecos Group and Dongguan Well Excellent to renew the Expired Tenancy Agreements. On the same date, the Group also entered into the New Tenancy Agreement with Mecos Group in relation to the lease of premises for use as ancillary office by the Group.

Mecos Group and Dongguan Well Excellent are owned as to 50% by Mr. Chan, 35% by Mr. Yip and 15% by Mr. Ku, who are controlling Shareholders and executive Directors of the Group. As such, each of Mecos Group and Dongguan Well Excellent is a connected person of the Company under the Listing Rules, and the Tenancy Agreements constitute continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios relating to the Tenancy Agreements on an annual basis exceed 0.1% but is less than 5%, the transactions contemplated under the Tenancy Agreements are subject to the relevant reporting and announcement requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Announcement in relation to the continuing connected transactions entered into between the Group and Mecos Group and Dongguan Well Excellent pursuant to the Previous Tenancy Agreements wherein a total of five tenancies were disclosed. As the Expired Tenancy Agreements have expired on 31 December 2015, the Group (as the tenant) has on 11 January 2016 entered into the Renewed Tenancy Agreements with Mecos Group and Dongguan Well Excellent, both as the landlords, and the Group as the tenant to renew the Expired Tenancy Agreements.

On the same date, the Group also entered into the New Tenancy Agreement with Mecoc Group to lease the premises as set out below for use as ancillary office by the Group. In case additional tenancy agreement is required to cater for the future business operation, the Group will make announcement subject to the applicable requirements under the Listing Rules.

FURTHER DETAILS OF THE TENANCY AGREEMENTS

Set out below are the details in relation to the premises leased from Mecoc Group by the Group:

Address	(i) Approximate gross floor area (ii) Use	(i) Date of agreement (ii) Term of lease	Monthly rental	Terms
(1) Units 2101, 2102, 2103, 2105, 2106, 2107 and 2108, Block H Expo Square, Dongcheng District, Dongguan city, Guangdong Province, the PRC	(i) 3,461.80 sq. m. (ii) Restaurant	(i) 11 January 2016 (ii) 1 January 2016 to 31 December 2018	RMB104,000	Monthly rent of RMB104,000 is payable by our Group to Mecoc Group in advance each month. Such rent is inclusive of rental tax and exclusive of water, electricity, telephone, television, heat, gas, property management, cleaning, internet, car park and indoor facilities maintenance fees.
(2) Units 2058, 2068, 2078, 2088, 2098, 2248, 2258, 2308, 2318, 2348, 2358, 2418, 2428, 2438, 2448, 2458 and 2468, Shenzhen Cinema, Zhonghai Commercial, 1 Xinyuan Road, Luohu District, Shenzhen, the PRC	(i) 566.35 sq. m. (ii) Restaurant	(i) 11 January 2016 (ii) 1 January 2016 to 31 December 2018	RMB45,308	Monthly rent of RMB45,308 is payable by our Group to Mecoc Group in advance each month. Such rent is inclusive of rental tax and exclusive of water, electricity, telephone, television, heat, gas, property management, cleaning, internet, car park and indoor facilities maintenance fees.
(3) Units 3018, 3078, 3088, 3098, 3108, 3118 and 3128 Level 3, Shenzhen Cinema, Zhonghai Commercial, 1 Xinyuan Road, Luohu District, Shenzhen, the PRC	(i) 275.27sq. m. (ii) Ancillary office	(i) 11 January 2016 (ii) 1 January 2016 to 31 December 2018	RMB27,000	Monthly rent of RMB27,000 is payable by our Group to Mecoc Group in advance each month. Such rent is inclusive of rental tax and exclusive of water, electricity, telephone, television, heat, gas, property management, cleaning, internet, car park and indoor facilities maintenance fees.
(4) Unit 1 on Level 6, Shenzhen Cinema, Zhonghai Commercial, 1 Xinyuan Road, Luohu District, Shenzhen, the PRC	(i) 1,444.80 sq. m. (ii) Restaurant	(i) 11 January 2016 (ii) 1 January 2016 to 31 December 2018	RMB104,000	Monthly rent of RMB104,000 is payable by our Group to Mecoc Group in advance each month. Such rent is inclusive of rental tax and exclusive of water, electricity, telephone, television, heat, gas, property management, cleaning, internet, car park and indoor facilities maintenance fees.

Set out below are the details in relation to the premises leased from Dongguan Well Excellent by the Group:

Address	(i) Approximate gross floor area (ii) Use	(i) Date of agreement (ii) Term of lease	Monthly rental	Terms
(5) Units 3106, 3107, 3108, 4106, 4107 and 4108, Block H, Expo Square, Dongcheng District, Dongguan City, Guangdong Province, the PRC	(i) 2,908.26 sq. m. (ii) Restaurant	(i) 11 January 2016 (ii) 1 January 2016 to 31 December 2018	RMB86,000	Monthly rent of RMB86,000 is payable by our Group to Dongguan Well Excellent each month. Such rent is inclusive of rental tax and exclusive of water, electricity, telephone, television, heat, gas, property management, cleaning, internet, car park and indoor facilities maintenance fees.

Historical Transaction Amounts and Annual Caps

The actual rental paid by the Group under the Previous Tenancy Agreements and the Expired Tenancy Agreements for the three years ended 31 December 2015 are set out as follows:-

Period	Actual Transaction Amounts	
	Previous Tenancy Agreements	Expired Tenancy Agreements
Year ended 31 December 2013	RMB4,431,696	RMB4,071,696
Year ended 31 December 2014 (<i>Note</i>)	RMB4,311,696	RMB4,071,696
Year ended 31 December 2015	RMB4,071,696	RMB4,071,696

Note: The Terminated Tenancy Agreement with monthly rental of RMB30,000 was terminated on 31 August 2014.

The annual cap for the rental payable by the Group under the Tenancy Agreements shall be no more than RMB4,500,000 for each of the three years ending 31 December 2018. The annual cap has been determined with reference to the rental payable by the Group under the Tenancy Agreements.

The terms of the Tenancy Agreements, including the rental payable by the Group, are arrived at after arm's length negotiations between the parties involved with reference to the prevailing market rent of comparable properties of similar area.

REASONS FOR THE TENANCY AGREEMENTS

As the Expired Tenancy Agreements relate to the existing premises at which part of the Group's business is carried out, their relocation would be costly and may have impact on daily business operation of the Group. Furthermore, based on the search finding of other similar premises at comparable locations in the open market, the Directors consider it would be more reasonable and in the interest of the Group to enter into the Renewed Tenancy Agreements.

As additional area is required for the Group for use as ancillary office to cater for its growing business needs, and given the actual space of the premises in relation to the New Tenancy Agreement, the Directors consider that it is in the interest of the Group to enter into the New Tenancy Agreement .

The Directors (including the independent non-executive Directors) consider that the Tenancy Agreements have been entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Tenancy Agreements (including the rental payable) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is primarily engaged in restaurant operation, providing a wide selection of food and beverage services in the PRC (including Hong Kong and Macau). The restaurants under the Group's own brand names serve a variety of Chinese and Southeast Asian cuisine and fast food restaurants under the franchise name.

LISTING RULES IMPLICATIONS

As Meco Group and Dongguan Well Excellent are owned as to 50% by Mr. Chan, 35% by Mr. Yip and 15% by Mr. Ku, who are controlling Shareholders and executive Directors of the Group, each of Meco Group and Dongguan Well Excellent is a connected person of the Company under the Listing Rules, and the Tenancy Agreements constitute continuing connected transactions of the Company under the Listing Rules. Each of Mr. Chan, Mr. Yip and Mr. Ku abstained from voting at the board meeting approving the Tenancy Agreements.

As the applicable percentage ratios relating to the Tenancy Agreements on an annual basis exceed 0.1% but is less than 5%, the transactions contemplated under the Tenancy Agreements are subject to the relevant reporting and announcement requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 19 April 2013
“Board”	the board of Directors
“Company”	Tang Palace (China) Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning given to that term in the Listing Rules
“Director(s)”	director(s) of the Company
“Dongguan Well Excellent”	Dongguan Well Excellent Hotel Management Services Co., Ltd (東莞維華酒店管理服務有限公司), a company established in the PRC with limited liability, and wholly-owned by Well Excellent Development Limited (維華發展有限公司), a company incorporated in Hong Kong and owned as to 50% by Mr. Chan, 35% by Mr. Yip and 15% by Mr. Ku

“Expired Tenancy Agreements”	4 tenancy agreements dated 9 April 2013 entered into between Meco Group and Dongguan Well Excellent, both as the landlords, and the Group as the tenant in relation to the leasing of various premises as operation of restaurant for the period from 1 January 2013 to 31 December 2015. Details of the premises are set out in tenancy no. 1, 2, 4 and 5 under the section headed “Further Details of the Tenancy Agreements” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meco Group”	Meco Group Company Limited (美高集團有限公司), a company incorporated in Hong Kong with limited liability and owned as to 50% by Mr. Chan, 35% by Mr. Yip and 15% by Mr. Ku
“Mr. Chan”	Mr. Chan Man Wai, a controlling shareholder and an executive Director of the Company
“Mr. Ku”	Mr. Ku Hok Chiu, a controlling shareholder and an executive Director of the Company
“Mr. Yip”	Mr. Yip Shu Ming, a controlling shareholder, the Chairman and an executive Director of the Company
“New Tenancy Agreement”	tenancy agreement dated 11 January 2016 entered into between Meco Group, as the landlord, and the Group as the tenant in relation to the leasing of premises as ancillary office for the period from 1 January 2016 to 31 December 2018. Details of this agreement are set out in tenancy no. 3 under the section headed “Further Details of the Tenancy Agreements” in this announcement
“Previous Tenancy Agreements”	the Expired Tenancy Agreements and the Terminated Tenancy Agreement

“PRC”	the People’s Republic of China
“Renewed Tenancy Agreements”	4 tenancy agreements dated 11 January 2016 entered into between Meco Group and Dongguan Well Excellent, both as the landlords, and the Group as the tenant in relation to the leasing of various premises as operation of restaurant for the period from 1 January 2016 to 31 December 2018. Details of these are set out in tenancy no. 1, 2, 4 and 5 under the section headed “Further Details of the Tenancy Agreements” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	the New Tenancy Agreement and the Renewed Tenancy Agreements
“Terminated Tenancy Agreement”	tenancy agreement dated 9 April 2013 entered into between Meco Group, as the landlord, and the Group as the tenant in relation to the leasing of premises at Units 3138, 3148, 3158, 3178, Level 3, Shenzhen Cinema, Zhonghai Commercial, 1 Xinyuan Road, Luohu District, Shenzhen, the PRC, as training centre and ancillary office for the period from 1 January 2013 to 31 December 2015. The tenancy agreement was early terminated on 31 August 2014 and disclosed in the annual report of the Company for the year ended 31 December 2014

By Order of the Board
Tang Palace (China) Holdings Limited
YIP Shu Ming
Chairman

Hong Kong, 11 January 2016

As at the date of this announcement, the Board comprises the following directors:

Executive directors:

*Mr. Yip Shu Ming, Mr. Chan Man Wai,
Mr. Ku Hok Chiu, Ms. Weng Peihe*

Independent non-executive directors:

*Mr. Kwong Chi Keung, Mr. Kwong Ping Man,
Mr. Cheung Kin Ting Alfred*