

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF RIGHT-OF-USE ASSETS**

NEW TENANCY AGREEMENT

The Board is pleased to announce that on 30 September 2025, Chengdu Well Excellent, a wholly owned subsidiary of the Company, entered into the New Tenancy Agreement as tenant with Sichuan Shouzu as Landlord and Sichuan Shouzu Branch Office, Independent Third Parties, in respect of the tenancy of the Premises under the Existing Tenancy Agreement for a term of ten years and four months commencing from 27 October 2025 to 26 February 2036 (both days inclusive) for the operation of the Group's restaurant business in Chengdu.

LISTING RULES IMPLICATIONS

As one or more than one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the New Tenancy Agreement based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 is more than 5% and below 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements, but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 30 September 2025, Chengdu Well Excellent, a wholly owned subsidiary of the Company, entered into the New Tenancy Agreement as tenant with Sichuan Shouzuozuo as Landlord and Sichuan Shouzuozuo Branch Office, Independent Third Parties, in respect of the tenancy of the Premises under the Existing Tenancy Agreement for a term of ten years and four months commencing from 27 October 2025 to 26 February 2036 (both days inclusive) for the operation of the Group's restaurant business in Chengdu.

KEY TERMS OF THE NEW TENANCY AGREEMENT

Date	: 30 September 2025
Parties	: (i) Sichuan Shouzuozuo, an Independent Third Party as the Landlord (ii) Sichuan Shouzuozuo Branch Office, an Independent Third Party as the Landlord Branch Office (iii) Chengdu Well Excellent, as the tenant To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.
Premises	: 2nd Floor, Renaissance Chengdu Hotel, No. 48, Section 4, Renmin South Road, Wuhou District, Chengdu, Sichuan Province, the PRC
Approximate area:	: 1,100 square metres
Term and rent free period	: Ten years and four months commencing from 27 October 2025 to 26 February 2036 (both days inclusive), including four months rent-free period (the " Rent-free Period "). The Rent-free Period shall coincide with the renovation of the hotel's first and second floors. The exact commencement and termination dates shall be subject to the Landlord's notification, with the Landlord providing the Tenant with no less than 60 days' prior notice.
Intended use of the Premise	: Restaurant operation
Total aggregate value of consideration payment	: RMB 18.5 million in aggregate during the term from 27 October 2025 to 26 February 2036
Rental payment	: During the Rent-free Period, the Tenant will not be required to pay the rent.

For months 1 to 64, the monthly rental amount is RMB150,000.

For months 65 to 124, the monthly rental amount is RMB 157,500.

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.

Rental deposit : RMB300,000

Payment terms : The rent is payable by Chengdu Well Excellent under the New Tenancy Agreement on a monthly basis by the 1st working day of each month, and will be financed by the internal resources of the Group.

RIGHT-OF-USE ASSETS

Pursuant to HKFRS 16, the tenancy of the Premises will be recognised as right-of-use assets for an amount of approximately RMB14.2 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the New Tenancy Agreement.

REASONS FOR AND BENEFITS OF THE NEW TENANCY AGREEMENT

The Group is currently leasing the Premises under the Existing Tenancy Agreement for the restaurant operation in the brand name of “Tang Palace” and which will expire on 26 October 2025. Entering into the New Tenancy Agreement will enable the Group to continue its restaurant operation at the Premises, which serves as a cornerstone of the brand and plays a critical role in the Group’s overall business portfolio. The Board believes the renewal of the Premises underscores the commitment to Chengdu market. Renewing the lease for the flagship Chengdu location is a strategically sound decision driven by its proven profitability. The decision to secure a long-term lease allows the Group to capitalize on established customer loyalty and brand recognition while facilitating long-term business planning and investment in the Premises.

The rental terms of the New Tenancy Agreement was arrived after arm’s length negotiations between the parties and the rental was determined after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises and the existing rent of the Premises under the Existing Tenancy Agreement.

The Directors considered that the transaction contemplated under the New Tenancy Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm’s length negotiations between the parties, and the terms of the transaction contemplated under the New Tenancy Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Group will recognise right-of-use assets in the consolidated financial statements of the Group in connection with the tenancy of the Premises. Accordingly, the lease transaction under the New Tenancy Agreement will be regarded as an acquisition of assets by the Group for the purpose of the Listing Rules.

As one or more than one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the New Tenancy Agreement based on the value of the right-of-use asset recognised by the Group pursuant to HKFRS 16 is more than 5% and below 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements, but exempt from the Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

GENERAL INFORMATION OF THE PARTIES

The Landlord

Sichuan Shouzuozuo is a limited liability company established in the PRC and is principally engaged in accommodation services, dining services, hotel management, and property management. Sichuan Shouzuozuo is owned as to 99% by Sichuan Shouzuozuo Investment Group Co., Ltd.* (四川首座投資集團有限公司) (“**Sichuan Shouzuozuo Investment**”) and 1% by Sichuan Weida Industrial Co., Ltd.* (四川威達實業有限公司) (“**Sichuan Weida**”). Sichuan Shouzuozuo Investment is owned as to 60% by Chengdu Xinda Real Estate Development Co., Ltd.* (成都鑫達房地產開發有限公司) (“**Chengdu Xinda**”), 30% by Chengdu Baili New Town Real Estate Development Co., Ltd.* (成都柏利新城房地產開發有限公司) (“**Chengdu Baili**”) and 10% by Sichuan Weida. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Mr. Xiang Zhi Xin is the ultimate beneficial owner of Chengdu Xinda, Chengdu Baili and Sichuan Weida. To the best of the Directors’ knowledge, information and belief, the Landlord and its ultimate beneficial owner are Independent Third Parties.

The Landlord Branch Office

Sichuan Shouzuozuo Branch Office is a branch office of Sichuan Shouzuozuo.

The Tenant

Chengdu Well Excellent is a company established in the PRC with limited liability, and a wholly-owned of the Company. Chengdu Well Excellent is principally engaged in restaurant operation.

The Company

The Company is an investment holding company. The Group is principally engaged in restaurant operation, providing a wide variety of food and beverage services in the PRC (including Hong Kong). Through self-owned and joint venture operations, the Group serves a variety of Chinese, Japanese and Malaysian cuisines.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Chengdu Well Excellent ” or “Tenant”	Chengdu Well Excellent Tang Palace Catering Management Co., Ltd.* (成都維華唐宮餐飲管理有限公司), a company established in the PRC with limited liability, and a wholly-owned of the Company
“Company”	Tang Palace (China) Holdings Limited
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Tenancy Agreement”	the formal tenancy agreement dated 10 June 2015 and supplementary agreement dated 21 September 2015 entered into between Chengdu Well Excellent as the tenant and Sichuan Shouzu as the landlord in relation to the tenancy of the Premises which will expire on 26 October 2025
“Group”	the Company and its subsidiaries
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” which include standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Tenancy Agreement”	the formal tenancy agreement dated 30 September 2025 entered into between Chengdu Well Excellent as the tenant and Sichuan Shouzu as the landlord and Sichuan Shouzu Branch Office in relation to the renewed tenancy of the Premises
“Premises”	2nd Floor, Renaissance Chengdu Hotel, No. 48, Section 4, Renmin South Road, Wuhou District, Chengdu, Sichuan Province, the PRC

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sichuan Shouzu” or “Landlord”	Sichuan Shouzu Hotel Management Co., Ltd* (四川首座酒店管理有限公司). is a company established in the PRC with limited liability which is an Independent Third Party and the landlord of the Premises under the Existing Tenancy Agreement and the New Tenancy Agreement
“Sichuan Shouzu Branch Office” or “Landlord Branch Office”	Renaissance Chengdu Hotel Branch Office of Sichuan Shouzu Hotel Management Co., Ltd * (四川首座酒店管理有限公司首座萬麗酒店分公司), a branch office of Sichuan Shouzu
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Tang Palace (China) Holdings Limited
Weng Peihe
Chairman

Hong Kong, 30 September 2025

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

Executive directors:

Ms. WENG Peihe, Mr. YIP Shu Ming, Mr. CHAN Man Wai, Mr. KU Hok Chiu, Mr. CHEN Zhi Xiong

Independent non-executive directors:

Mr. KWONG Chi Keung, Mr. KWONG Ping Man, Mr. CHAN Kin Shun

** For identification purpose only.*