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婚宴專門店
Wedding Banquet Specialist

PALACE BANQUET HOLDINGS LIMITED

首灃控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1703)

ANNOUNCEMENT

TERMINATION OF DISCLOSEABLE TRANSACTION ACQUISITION OF RIGHT-OF-USE ASSETS NEW LEASE AT 7/F DRAGON CENTRE IN SHAM SHUI PO

INTRODUCTION

Reference is made to the announcement of Palace Banquet Holdings Limited (the “**Company**”) dated 24 January 2020 (the “**First Announcement**”) in relation to the entering into of the New Lease by the Group for the new Shum Shui Po restaurant, and the announcement of the Company dated 29 April 2020 in relation to the delay in signing of formal agreement for the New Lease (the “**Second Announcement**”, together with the First Announcement, the “**Announcements**”). Definitions and terms used in this announcement, unless the context required otherwise, shall have the same meanings as those defined in the Announcements.

TERMINATION OF THE ACQUISITION OF RIGHT-OF-USE ASSETS

As disclosed in the Announcements, on 24 January 2020, Eternal Grand, an indirect wholly-owned subsidiary of the Company, as the Tenant entered into the New Lease with Dragon Centre Management, the Landlord, for the leasing of the Premises for a term commencing on 1 May 2020 and ending on 30 April 2026 at a monthly rent of HK\$760,000 for the first three years and HK\$832,000 for the subsequent three years. Pursuant to the New Lease, a holding deposit in the sum of HK\$760,000 was paid by Eternal Grand to the Landlord to be utilised as the first month’s rent or to be forfeited if Eternal Grand refuses or fails to sign the formal lease.

As disclosed in the Second Announcement, Eternal Grand has requested the Landlord to extend the date of signing of the formal agreement of the New Lease to 1 July 2020 in order to allow the Group additional time to consider and assess the commercial merits for opening the new Shum Shui Po restaurant under the current business environment.

It has come to the knowledge of Eternal Grand that the Landlord did not agree to the extension of signing of the formal agreement of the New Lease to 1 July 2020, and has accordingly forfeited the holding deposit of HK\$760,000 under the New Lease and terminated the New Lease as a result.

GENERAL

The termination of the New Lease constitutes termination of the acquisition of right-of-use assets of the Company previously announced pursuant to Chapter 14 of the Listing Rules, and is therefore required to be disclosed under Rule 14.36 of the Listing Rules.

As none of the applicable percentage ratios for the termination of the New Lease is 5% or more, the termination of the New Lease does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

By order of the Board
Palace Banquet Holdings Limited
Chan Shou Ming
Chairman

Hong Kong, 12 June 2020

As at the date of this announcement, the executive directors of the Company are Mr. Chan Shou Ming, Ms. Chen Xiao Ping and Ms. Qian Chunlin; and the independent non-executive directors of the Company are Mr. Chan Koon Yuen Windaus, Mr. Ng Kwok Tung and Mr. Yue Ming Wai Bonaventure.