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TASTY CONCEPTS HOLDING LIMITED

賞之味控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8096)

DISCLOSEABLE TRANSACTIONS IN RESPECT OF THE TENANCY AGREEMENTS

THE TENANCY AGREEMENTS

The Board would like to announce that on 26 June 2019 and 20 June 2019, Right Direction International Limited and Fortune City Limited, both are indirect wholly-owned subsidiaries of the Company, entered into the Tenancy Agreements with the Landlord, an independent third party, in relation to the lease of Property A and the renewal of the lease of Property B.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16 “Leases”, the value of the right-of-use assets will be recognised on the Group’s consolidated statement of financial position in connection with the lease of the Properties under the Tenancy Agreements. Accordingly, the lease transactions under the Tenancy Agreements will be regarded as acquisitions of assets by the Company for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the transactions contemplated under the Tenancy Agreements constitute discloseable transactions, and are subjected to the reporting and announcement requirements but is exempted from the circular and shareholders’ approval requirements under the Chapter 19 of the GEM Listing Rules.

The Board would like to announce that on 26 June 2019 and 20 June 2019, Right Direction International Limited and Fortune City Limited, both are indirect wholly-owned subsidiaries of the Company, entered into the Tenancy Agreements with the Landlord, an independent third party, in relation to the lease of Property A and the renewal of the lease of the Property B. Details of the Tenancy Agreements are set out as below:

TENANCY AGREEMENT A

Date: 26 June 2019

Parties: Sun Hung Kai Real Estate Agency Limited, as the Landlord
Right Direction International Limited, as the tenant

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owner(s) are independent third parties.

Property: Shop No. 703A on Level 7 of the Commercial Units of New Town Plaza (Phase I), Sha Tin Town Lot No. 143

Lettable area: Approximately 1,782 square feet

Rent-free periods: From 6 July 2019 to (i) 3 September 2019 or (ii) the day before the commencement date of the tenant’s business at Property A, whichever date is the earlier (both days inclusive) for the purpose of decoration and/or renovation. Tenant shall be responsible for management fee, air-conditioning charges, government rent and rates, utility charges and other ongoing charges payable during such rent-free period

Terms: Four (4) years commencing on 6 July 2019 and expiring on 5 July 2023 (both days inclusive)

The aggregate value of consideration payable: Rental to be paid monthly in aggregate of approximately HK\$11,119,680.00 for a term of 4 years, subject to additional turnover rent which may be imposed pursuant to the terms and conditions of Tenancy Agreement A (exclusive of rates, management fees and air-conditioning charges and other outgoings)

Deposit: Approximately HK\$1,218,175.20 (being four (4) months basic monthly rental charged by the Landlord in the 4th year and air-conditioning and management charges)

TENANCY AGREEMENT B

Date: 20 June 2019

Parties: Sun Hung Kai Real Estate Agency Limited, as the Landlord

Fortune City Limited, as the tenant

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owner(s) are independent third parties.

Property: Shop No. 167 on Level 1 of the Commercial Units of New Town Plaza (Phase I), Sha Tin Town Lot No. 143

Lettable area: Approximately 1,367 square feet

Terms: Two (2) years commencing on 1 August 2019 and expiring on 31 July 2021 (both days inclusive)

The aggregate value of consideration payable: Rental to be paid monthly in aggregate of approximately HK\$6,233,520.00 for a term of 2 years, subject to additional turnover rent which may be imposed pursuant to the terms and conditions of Tenancy Agreement B (exclusive of rates, management fees and air-conditioning charges and other outgoings)

Deposit: Approximately HK\$885,405.90 (being three (3) months basic monthly rental charged by the Landlord in the 2nd year and air-conditioning and management charges)

INFORMATION OF THE PARTIES

The Company is an investment holding company and its subsidiaries are the restaurant chain operators selling Japanese ramen in Hong Kong and the PRC.

Right Direction International Limited is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. It used to operate one of the Group's restaurants and has currently ceased operation/is currently dormant.

Fortune City Limited is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. It is operating one of the Group's restaurants, which is currently located at Property B.

The Landlord is a direct wholly-owned subsidiary of Sun Hung Kai Properties Limited, and is in the business of general management and agency.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Landlord and its ultimate beneficial owner(s) are independent third parties.

REASONS AND BENEFITS FOR THE TENANCY AGREEMENTS

The Group is expanding its restaurants' network to enlarge the market shares in the industry as well as improve its Group's exposure and brand penetration. The Directors believe that Property A is located at a high pedestrian flow area with uncaptured customers' demand for Japanese ramen.

With reference to the past operation experience, the current restaurant located at Property B has been profitable and strategically located which presents continuous business opportunities for retaining the existing restaurant by renewal of the lease of Property B.

The terms of the Tenancy Agreements are arrived at after arm's length negotiation and the rentals were with reference to the prevailing market rental of similar comparable properties in the nearby areas.

The Directors considered that the terms of the Tenancy Agreements are entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16 “Leases”, the value of the right-of-use assets will be recognised on the Group’s consolidated statement of financial position in connection with the lease of the Properties under the Tenancy Agreements. Accordingly, the lease transactions under the Tenancy Agreements will be regarded as acquisitions of assets by the Company for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratio under Rule 19.07 of the GEM Listing Rules in respect of aggregate value of the right-of-use assets recognised by the Group pursuant to HKFRS 16 is more than 5% but less than 25%, the transactions contemplated under the Tenancy Agreements constitute discloseable transactions, and are subjected to the reporting and announcement requirements but is exempted from the circular and shareholders’ approval requirements under the Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions will have the meanings set out as below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Tasty Concepts Holding Limited (賞之味控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8096)
“connected person”	has the same meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM as amended by the Stock Exchange from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountant
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	an individual(s) or a company(ies) who or which is or are independent of and not connected (within the meaning of the GEM Listing Rules) with any of the Directors, chief executive or substantial shareholder(s) of our Company, its subsidiaries or any of their respective associate(s)
“Landlord”	Sun Hung Kai Real Estate Agency Limited
“PRC”	the People’s Republic of China
“Property A”	Shop No. 703A on Level 7 of the Commercial Units of New Town Plaza (Phase I), Sha Tin Town Lot No. 143
“Property B”	Shop No. 167 on Level 1 of the Commercial Units of New Town Plaza (Phase I), Sha Tin Town Lot No. 143
“Properties”	Property A and Property B
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement A”	the tenancy agreement dated 26 June 2019 and entered into between the Landlord and Right Direction International Limited in respect of the lease of Property A
“Tenancy Agreement B”	the tenancy agreement dated 20 June 2019 and entered into between the Landlord and Fortune City Limited in relation to the renewal of the lease of Property B
“Tenancy Agreements”	Tenancy Agreement A and Tenancy Agreement B

By order of the Board
Tasty Concepts Holding Limited
Tang Hing Chee
Chairman

Hong Kong, 26 July 2019

As at the date of this announcement, the Board comprises Mr. Tang Chun Ho Chandler as executive Director; Mr. Tang Hing Chee as non-executive Director and Mr. Ho Chun Yin Steven, Mr. Ho Lai Chuen and Mr. Lee Koon Tak as independent non-executive Directors.

This announcement, for which the Directors of the Company 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 website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.butaoramen.com.