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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)

VOLUNTARY ANNOUNCEMENT ENTERING INTO A SHAREHOLDERS' AGREEMENT

The Board of the Company announces that, on 18 May 2012, TSCL, an indirectly wholly-owned subsidiary of the Company, entered into the Shareholders' Agreement with PappaRich Group and TRCML, for the co-investment into TRCML in relation to the operation of restaurants, food and beverages and related businesses in the PRC, Hong Kong and Macau under the trademarks of "PappaRich". TRCML will be owned as to 70% by TSCL and 30% by PappaRich Group. The registered capital of TRCML will be HK\$24,538,000 and will be contributed wholly in cash.

THE SHAREHOLDERS' AGREEMENT

Date: 18 May 2012

Parties: Party A: TSCL
Party B: PappaRich Group
Party C: TRCML

To the best of the Directors' knowledge, information and belief after making reasonable enquiries, PappaRich Group and its ultimate beneficial owners are third parties independent of the Company and its connected person(s).

Scope of business: Operation of restaurants, food and beverages and related businesses in the PRC, Hong Kong and Macau under the trademarks of "PappaRich" through TRCML.

Registered capital: HK\$24,538,000

TSCL and PappaRich Group will contribute HK\$17,176,600 and HK\$7,361,400 (or the equivalent amount of RMB), representing 70% and 30% of the registered capital of TRCML respectively.

The registered capital of TRCML will be contributed in cash upon completion of the Shareholders' Agreement.

The registered capital of TRCML to be contributed by TSCL will be funded by the Group's internal resources. TRCML will be accounted for as an indirectly 70%-owned subsidiary the Company.

Board composition: The board of TRCML will consist of six directors, four of which will be nominated by TSCL and two of which will be nominated by PappaRich Group. The chairman of the board of TRCML will be nominated by TSCL.

Transfer of trademarks: PappaRich Group will legally and beneficially transfer its trademarks of "PappaRich" registered in the PRC to TSCL at a consideration of not more than RMB5,000,000 (equivalent to HK\$6,134,500). This will be funded by the Group's internal resources.

INFORMATION OF PAPPARICH GROUP

PappaRich Group, a company incorporated in Malaysia engaged in the operation of restaurants, food and beverages and related businesses, is one of the leading brands in the local food and beverage chain in Malaysia. The restaurants are of lifestyle Malaysian delights offering a wide variety of coffee, beverages, snacks, desserts, rice and noodles dishes with "PappaRich" original flavor and taste. Currently there are over 60 "PappaRich" outlets in Malaysia and Melbourne.

REASONS FOR THE SHAREHOLDERS' AGREEMENT

The Group is principally engaged in restaurant operations. With its long established success in catering business in the PRC, the Group maintains a healthy development on Chinese cuisine and fastfood restaurants, while continuously seek for opportunities in expanding its territory, through different modes of cooperation with quality venture partners or brand owners in the PRC and overseas.

The cooperation between the Group and PappaRich Group will strategically introduce a stylish Southeast Asian touch dining experience into the PRC, Hong Kong and Macau, aim at tapping the tremendous domestic consumption market in the region. PappaRich Group will contribute its thriving business model, outstanding management and its signature products.

Meanwhile, the Group will employ its comprehensive experience on catering business in the PRC, including its well established network and unique strength in operation.

The terms of the Shareholders' Agreement were arrived at after arm's length negotiations between the parties. The Directors consider that the terms of the Shareholders' Agreement are on normal commercial terms and believe the terms are fair and reasonable, enabling the Company to develop its casual dining business, and in the best interest of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Board”	The board of Directors
“Company”	Tang Palace (China) Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company, including the independent non-executive directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Group and are not connected persons of the Group
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	The Macau Special Administrative Region of the PRC
“PappaRich Group”	PappaRich Group Sdn Bhd, a company incorporated in Malaysia with limited liability
“PRC”	the People’s Republic of China (but excluding, for the purposes of the Shareholders’ Agreement, Hong Kong, Macau and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 18 May 2012 and entered into between TSCL, PappaRich Group and TRCML in respect of the co-investment into TRCML
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“TSCL”	Tang Stylish Catering Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“TRCML”	Tang & Rich Catering Management Limited, a company incorporated in Hong Kong with limited liability on 10 March 2012 and an indirectly wholly-owned subsidiary of the Company as of the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

In this announcement, certain amounts denominated in RMB have been translated into HK\$ using an exchange rate of RMB1.00: HK\$1.2269 and vice versa, for information only.

By Order of the Board
Yip Shu Ming
Chairman and Executive Director

Hong Kong, 18 May 2012

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

Note: In the event of inconsistency, the English text of this announcement shall prevail over the Chinese text.