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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

Reference is made to the Prospectus in relation to the Tenancy Agreements. On 9 April 2013, the Group has entered into the Tenancy Agreements with Meco Group and Dongguan Well Excellent, both as the landlords and the Group as the tenant in relation to the lease of the premises for use as operation of restaurant, training center or ancillary office by the respective Group member.

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. As such, 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.

As the applicable percentage ratio relating to the Tenancy Agreements on an annual basis exceeds 0.1% but is less than 5%, the transactions contemplated under the Tenancy Agreements are subject to the relevant reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the relevant annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Prospectus in relation to the Tenancy Agreements wherein a total of six tenancies were disclosed. The Group has entered into various Tenancy Agreements with Meco Group and Dongguan Well Excellent, both as the landlords, and the Group as the tenant to lease the premises as set out below for use as operation of restaurant, training center or ancillary office by the respective Group member. The Tenancy Agreements expired on 31 December 2012.

The Group has renewed five of the six tenancies on 9 April 2013 with Mecos Group and Dongguan Well Excellent on the same terms as contained in the Prospectus (save for tenancy no. 2 below where the leased area of which has been reduced and the rental decreasing from RMB63,082.40 per month to RMB45,308 per month) effected from 1 January 2013 until 31 December 2015. As for the one tenancy which has not been renewed, namely Unit 4001, Shenzhen Cinema, Zhonghai Commercial, 1 Xinyuan Road, Luohu District, Shenzhen, the PRC, as the current usage is not significant, the Group is currently permitted by Mecos Group to use such premises free of charge. 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 Mecos 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) 9 April 2013 (ii) 1 January 2013 to 31 December 2015	RMB104,000	Monthly rent of RMB104,000 is payable by our Group to Mecos 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) 9 April 2013 (ii) 1 January 2013 to 31 December 2015	RMB45,308	Monthly rent of RMB45,308 is payable by our Group to Mecos 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 3138, 3148, 3158, 3178, Level 3, Shenzhen Cinema, Zhonghai Commercial, 1 Xinyuan Road, Luohu District, Shenzhen, the PRC	(i) 313.86 sq. m. (ii) Training centre and ancillary office	(i) 9 April 2013 (ii) 1 January 2013 to 31 December 2015	RMB30,000	Monthly rent of RMB30,000 is payable by our Group to Mecos 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) 9 April 2013 (ii) 1 January 2013 to 31 December 2015	RMB104,000	Monthly rent of RMB104,000 is payable by our Group to Mecos 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:

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) 9 April 2013 (ii) 1 January 2013 to 31 December 2015	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.

REASONS FOR RENEWALS

As the Tenancy Agreements relate to the existing premises whereby certain parts of the Group's business is carried out, their relocation would be costly and the finding of suitable similar locations at reasonable price may not be feasible. Accordingly, as the monthly rental and terms of the Tenancy Agreements remain unchanged from previous ones (save for one where the area leased and rent has been reduced), the Directors (including the independent non-executive Directors) consider it reasonable for the Group to enter into the Tenancy Agreements on their current terms. As for the tenancy no.2 above wherein the size of the leased area and rental have been reduced, the Company considered this to be appropriate given the actual space requirement at that premises. The reduction in size of the premises leased is not expected to have a material effect on the Group's business operations.

INFORMATION ON THE GROUP

The Group is primarily engaged in restaurant operation, providing a wide selection of food and beverage services in the PRC. The restaurants under the Group's own brand names serve a variety of Chinese and Japanese cuisine, and fast food restaurants under the franchise name.

LISTING RULES IMPLICATIONS

As 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, 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. Each of Mr. Chan, Mr. Yip and Mr. Ku abstained from voting at the board meeting approving the Tenancy Agreements.

Details of the Tenancy Agreements are announced in this announcement, pursuant to which the transactions contemplated under the Tenancy Agreements are subject to the relevant reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and the relevant annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules and are exempt from the 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:

“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
“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

“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 7 April 2011 in relation to the listing of the Shares on the Main Board of the Stock Exchange
“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”	5 tenancy agreements entered into between Meco Group and Dongguan Well Excellent, both as the landlords, and the Group as the tenant in relation to various premises leased by the Group as operation of restaurant, training centre or ancillary office. Details of these are set out in section under “Further Details of the Tenancy Agreements” in this announcement

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

Hong Kong, 19 April 2013

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*