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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that, according to a preliminary assessment from the unaudited consolidated management accounts of the Group for the six months ended 30 June 2013, the unaudited profit for the period attributable to owners of the Company for the six months ended 30 June 2013 is expected to decrease as compared to the same period of 2012.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares and other securities of the Company.

This announcement is made by Tang Palace (China) Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, according to a preliminary assessment from the unaudited consolidated management accounts of the Group for the six months ended 30 June 2013, the unaudited profit for the period attributable to owners of the Company for the six months ended 30 June 2013 is expected to decrease as compared to the same period of 2012. Based on the information currently available to the Board, the reduction in the profit for the period attributable to owners of the Company was mainly attributable to (i) the issuance of a set of regulations and restrictions to promote frugality and curb waste by the Chinese government, casting an impact on certain customer groups’ expenditure; (ii) the impact from avian influenza and the Chinese Government’s policies on poultry sale suspension in the second quarter of 2013, resulting in a decrease in sales at certain stores.

Despite the above, the Board believes the Group's continuous and sustainable development could be ensured through a series of measures to broaden the customer base and to control cost. Based on the information currently available to the Board, customer traffic for the six months ended 30 June 2013 for the stores remained healthy, reflecting the effectiveness of the Group's strategy. From the Board's continuous observation, the Group's revenue in June 2013 remains stable, while operational status and financial position remain solid. The Board's future prospect in the food and beverage industry is positive, and is confident for the Group to achieve continuous and sustainable development through its outstanding management team, a series of operational strategies to respond to the market and effective cost control measures.

The Company is currently preparing for the Group's interim results for the six months ended 30 June 2013, the information contained in this announcement is only based on a preliminary assessment by the Board in accordance with the unaudited consolidated management accounts of the Group for the six months ended 30 June 2013 and the information available at the time, and is not based on information or figures which have been audited or reviewed by auditors. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Company for the six months ended 30 June 2013 which will be published in due course.

Shareholders and potential investors are advised to exercise caution when dealing in the shares or other securities of the Company.

By order of the Board
Tang Palace (China) Holdings Limited
WONG Chung Yeung
Company Secretary

Hong Kong, 12 July 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*