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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)**

## **INSIDE INFORMATION**

### **FORMATION OF JOINT VENTURE WITH SHIN YEH IN TAIWAN**

This announcement is made by the Company pursuant to Rule 13.09 of 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 is pleased to announce that on 17 July 2014, TRHII, a non-wholly owned subsidiary of the Company, entered into the Joint Venture and Shareholders' Agreement with an Independent Third Party, Shin Yeh, pursuant to which TRHII and Shin Yeh will make equity capital contribution of HK\$3,000,000 and HK\$7,000,000 respectively to the JV Company. TRHII and Shin Yeh will respectively hold 30% and 70% shareholding in the JV Company which will operate self-owned restaurants in Taiwan principally serving Malaysian dishes under the "PappaRich" Trademark. Under the Joint Venture and Shareholders' Agreement, the JV Company is also entitled to grant franchise right to third parties franchisees to operate restaurants in Taiwan principally serving Malaysian dishes under the "PappaRich" Trademark.

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

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

**(I) FORMATION OF JOINT VENTURE WITH SHIN YEH IN TAIWAN**

**(A) Joint Venture and Shareholders Agreement with Shin Yeh**

*Date*

17 July 2014

*Parties*

- (1) TRHII as shareholder of the JV Company and an exclusive duly authorized user of the “PappaRich” Trademark in Taiwan with the right to grant license to the JV Company to use the same in Taiwan.
- (2) Shin Yeh as shareholder of the JV Company.
- (3) The JV Company.

*Capital contribution and shareholding*

TRHII and Shin Yeh will make equity capital contribution of HK\$3,000,000 and HK\$7,000,000 respectively to the JV Company. The shareholding in the JV Company will be held by TRHII and Shin Yeh as to 30% and 70% respectively.

Any future capital requirement of the JV Company is currently intended to be mainly funded by external loans from banks and financial institutions.

*Board composition*

TRHII will be entitled to nominate one candidate and Shin Yeh will be entitled to nominate two candidates to serve as directors of the JV Company.

*License of trademark and operation of restaurants*

TRHII, an exclusive duly authorized user of the “PappaRich” Trademark in Taiwan will grant a license to the JV Company to operate self-owned restaurants in Taiwan principally serving Malaysian dishes under the “PappaRich” Trademark.

The location, interior design and decoration, the menu as well as the marketing materials of all the self-owned restaurants are subject to approval of TRHII.

### *Term of the joint venture*

10 years from the date of formation of the JV Company which may be extended subject to further negotiation of the parties.

### *Franchise to third parties franchisees*

The JV Company is entitled to grant franchise right to third parties franchisees to operate restaurants in Taiwan under the “PappaRich” Trademark. Terms and conditions of the franchise will be approved by the board of the JV Company on an individual case basis upon the grant of the franchise.

## **(B) Information of the Joint Venture Partner**

TRHII is a company incorporated in the BVI with limited liability and a non-wholly owned subsidiary of the Company and is principally engaged in investment holding.

Shin Yeh is a company incorporated in Taiwan with limited liability principally engaged in the operation of restaurants, food and beverages and related businesses in Taiwan.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries and so far as the Directors are aware, Shin Yeh and its ultimate beneficial owners are Independent Third Parties.

## **(C) Reasons for and Benefits of the Joint Venture**

The Group is primarily engaged in multi brand chain restaurant operation, providing a wide selection of food and beverage services under various brand names in the PRC. The restaurants under the Group serve a variety of Chinese and casual dining cuisines in first-tier and second-tier cities across China, targeting mid- to high-end spending class customers as well as young diners.

The Group actively pursues in the expansion of its restaurant operations under the “PappaRich” brand. With the expertise of Shin Yeh in the operation of restaurants in Taiwan, the Board believes the Group can expand the PappaRich operations into Taiwan through the opening of more outlets in Taiwan by the JV Company.

## **(II) GENERAL**

The entering into of the Joint Venture and Shareholders’ Agreement by TRHII does not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules or a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

### (III) DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

|   |  |
|---|--|
| “Board”                                     | the board of Directors   |
| “BVI”                                       | British Virgin Islands   |
| “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 (Stock Code: 1181)  |
| “connected person(s)”                       | as defined in the Listing Rules  |
| “Director(s)”                               | director(s) of the Company   |
| “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   |
| “Independent Third Party”                   | a party and, if applicable, the ultimate beneficial owner of the party who is not fallen into the definition of connected persons of the Company under Chapter 14A of the Listing Rules and independent of the connected persons of the Company and their associates (as defined in the Listing Rules) |
| “Joint Venture and Shareholders’ Agreement” | the joint venture and shareholders’ agreement dated 17 July 2014 entered into between TRHII, Shin Yeh and the JV Company in relation to the formation of the JV Company  |
| “JV Company”                                | 台灣金爸爸餐飲股份有限公司 (Taiwan PappaRich Catering Limited*), a company incorporated in Taiwan with limited liability to serve as the joint venture company pursuant to the Joint Venture and Shareholders’ Agreement  |
| “Listing Rules”                             | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “PRC”                                       | the People’s Republic of China   |

|                  |  |
|------------------|--|
| “Shin Yeh”       | 欣葉國際餐飲股份有限公司 (Shin Yeh Restaurant Group Inc.*), a company incorporated in Taiwan   |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “Trademark”      | collectively, the trademark  PappaRich registered in Taiwan and the trademark  PappaRich 金爸爸 &  PappaRich 金爸爸 under registration in Taiwan of which TRHII is the exclusive duly authorized user in Taiwan with the right to grant license to the JV Company to use the same in Taiwan |
| “TRHII”          | Tang & Rich Holdings (II) Limited, a company incorporated in the BVI with limited liability and a non-wholly owned subsidiary of the Company   |

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

Hong Kong, 17 July 2014

*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

\* For identification purpose only