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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

INVESTMENT AGREEMENT

The board of directors (the “**Board**”) of Tang Palace (China) Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**”) is pleased to announce that, on 18 May 2016, Good Vision Limited (“**Good Vision**”), an indirect wholly-owned subsidiary of the Company, entered into an agreement (the “**Investment Agreement**”) with, among others, Classic Line Holdings Limited (the “**Vendor**”), pursuant to which Good Vision, as purchaser, agreed to purchase 15% of the issued share capital of Goal Forward Holdings Limited (the “**Target Company**”) from the Vendor at the consideration of HK\$11,862,000 (the “**Investment**”).

The terms of the Investment Agreement, including the consideration, have been arrived at after arm’s length negotiations among the parties. The Board considers that the terms of the Investment Agreement are on normal commercial terms which are fair and reasonable, and the entering into of the Investment Agreement is in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION ON THE PARTIES

The Target Company is an investment holding company. C.Y. Food Trading (HK) Company Limited (“**C.Y. Food**”), an indirect wholly-owned subsidiary of the Target Company, is principally engaged in sourcing and processing of food ingredients.

To the best of the Directors’ information and belief, and after making all reasonable enquiries, the Vendor is an independent third party (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of the Company.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Group is principally engaged in restaurant operations. With its extensive experience in the catering business, the Group considers reliable and traceable food ingredient supply is vital to our Group's operation. The Group is of the view that the Investment could strengthen its relationship with C. Y. Food and benefit from its extensive sourcing network as well as well-established food processing system. This could (i) provide the Group with a reliable source of high-quality, stable and traceable food ingredient supply; (ii) strengthen the Group's control on the costs of food procurement; and (iii) provide potential benefits and profits that the Target Company will accrue to the Group.

This announcement is made on a voluntary basis.

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

Hong Kong, 18 May 2016

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