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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

SALE AND PURCHASE 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 30 June 2016, the Company (through its subsidiaries) entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Dragon King Holdings Limited (“**Dragon King**”) and its subsidiaries (collectively, the “**DK Group**”).

It is agreed that, since 1 July 2016, subject to obtaining of relevant approval and complying with regulatory requirements, relevant operating assets of 2 of the Chinese restaurants of the Group located in the Hong Kong and Macau region will be disposed to the DK Group by stages. The total consideration of the disposal is not less than HK\$13,800,000 (subject to adjustment) which shall be settled by way of Dragon King allotting a certain percentage of new shares to the Group to be determined on fair valuation basis or by way of cash.

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

INFORMATION ON THE PARTIES

The DK Group is principally engaged in fine dining Chinese restaurant business.

To the best information and belief of the Board, and after making all reasonable enquiries, save and except the external consultant role of Mr. Wong Wing Chee to the Group disclosed below, the DK Group and its ultimate beneficial owner are independent of the connected persons of the Company and their associates (as respectively defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

REASONS FOR AND BENEFITS OF THE AGREEMENT

The Group is primarily engaged in multi brands chain restaurant operation. With years of effort in expanding its network through introducing new brands and strategic cooperation with experienced restaurant operators, the Group is continuously seeking for strategic partners.

Based on the information available to the Company, the DK Group has extensive business base in Hong Kong with well-established history and abundant resources and extensive restaurant operating experience especially renowned for its exquisite fine dining in Hong Kong and Macau. Mr. Wong Wing Chee, the ultimate controlling shareholder of the DK Group, acted as an external consultant of the Group in earlier years and the Group is exploring further strategic cooperation with DK Group. The Board is of the view that the disposal contemplated under the Sale and Purchase Agreement and strategic cooperation will be beneficial to the Group.

This announcement is made on a voluntary basis. The transactions contemplated under the Sale and Purchase Agreement do not constitute any notifiable transactions under Chapter 14 or Chapter 14A of the Listing Rules. The Company will make further announcement when and where necessary in compliance with relevant provisions of the Listing Rules.

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

Hong Kong, 30 June 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,
CHEUNG Kin Ting Alfred*