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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

SUPPLEMENTAL AGREEMENT AND SUBSCRIPTION AGREEMENT

References are made to the announcement (“**Announcement**”) of Tang Palace (China) Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 June 2016 regarding the sale and purchase agreement (the “**Sale and Purchase Agreement**”) entered into between the Group and Dragon King Holdings Limited (“**Dragon King**”) and its subsidiaries (collectively, the “**DK Group**”).

As disclosed in the Announcement, pursuant to the Sale and Purchase Agreement, the Group shall be allotted and issued certain percentage of shares of Dragon King.

The board of directors (the “**Board**”) of the Company is pleased to announce that, on 26 September 2016, the Company (through its subsidiaries) entered into a supplemental agreement to the Sale and Purchase Agreement with the DK Group (the “**Supplemental Agreement**”) and a subscription agreement with Dragon King (the “**Subscription Agreement**”, together with the Supplemental Agreement, the “**Investment Agreements**”). Pursuant to the Investment Agreements, in consideration of the sale of two of the Chinese restaurants of the Group located in Hong Kong and Macau region, together with a cash consideration of HK\$7,000,000, among other things, (i) the DK Group shall procure an aggregate of 22% of the enlarged issued share capital (the “**Consideration Shares**”) of Dragon King as at the date of the issue and allotment of the Consideration Shares, which is determined at arm’s length basis by reference to the valuation of the DK Group, to be allotted and issued to the subsidiaries of the Group (or their nominee(s)); and (ii) the Consideration Shares shall be allotted and issued to the subsidiaries of the Group (or their nominee(s)) on or before 1 October 2016.

The Board considers that the terms of the Investment Agreements are on normal commercial terms which are fair and reasonable, and the entering into of the Investment Agreements is in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The DK Group are principally engaged in Chinese restaurant business.

To the best information and belief of the Board, and after making all reasonable enquiries, 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 INVESTMENT AGREEMENTS

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, DK Group has extensive business base in Hong Kong with well-established history and abundant resources and extensive restaurant operating experience.

The Board is of the view that the investment in Dragon King under the Investment Agreements will strengthen the Group’s strategic cooperation with DK Group, which will be beneficial to the Group.

This announcement is made on a voluntary basis. The transactions contemplated under the Investment Agreements do not constitute any notifiable transactions under Chapter 14 or Chapter 14A of the Listing Rules.

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

Hong Kong, 26 September 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*