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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)**

## **GRANT OF AWARD SHARES PURSUANT TO SHARE AWARD PLAN**

On 20 January 2017, the Board has resolved to approve the proposal of the Remuneration Committee to award a total of 3,712,000 Award Shares to Selected Participants. Among which a total of 1,330,000 Award Shares shall be granted by way of allotment of new Shares pursuant to the General Mandate granted by the shareholders of the Company at the annual general meeting held on 3 June 2016 and a total of 2,382,000 Award Shares shall be granted by way of purchase of existing Shares on the Stock Exchange to the Selected Participants under the Share Award Plan.

The aggregate number of Award Shares is 3,712,000 Shares, representing approximately 0.875% of the Company's issued share capital as at the date of this announcement and approximately 0.873% of the Company's enlarged issued share capital after the issue and allotment.

Reference is made to the share award plan adopted by the Company on 25 March 2011 and the subsequent amendments made to it on 10 April 2013.

On 20 January 2017, the Board has resolved to approve the proposal of the Remuneration Committee to award a total of 3,712,000 Shares to Selected Participants (the "**Award Shares**").

### **BY WAY OF ALLOTMENT OF NEW SHARES**

Among the 3,712,000 Award Shares, 1,330,000 Award Shares were awarded by way of allotment of new Shares pursuant to the General Mandate granted by the shareholders of the Company at the annual general meeting held on 3 June 2016 ("**Allotment Shares**"). The Allotment Shares were awarded to the Selected Participants to recognise and reward their contribution to the development of the Group. Under the General Mandate, the maximum number of Shares that can be issued and allotted is limited to 20% of the total number of the shares of the Company in issue as at 3 June 2016, being 84,803,800 Shares. As at the date

of this announcement, no Shares have been issued and allotted under the General Mandate. Accordingly, the General Mandate is sufficient for the proposed issue and allotment of the Allotment Shares to the Selected Participants.

The Board shall cause to be paid the subscription money for the Allotment Shares from the Company's resources. The allotment of the Allotment Shares to the Selected Participants is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Allotment Shares. There is no condition, performance target or lock up attached to the Allotment Shares. The Allotment Shares, when issued and fully paid, will rank pari passu among themselves and with the Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment.

Application will be made by the Company to the Stock Exchange for approval of the listing of, and permission to deal in, the Allotment Shares.

### **BY WAY OF PURCHASE**

The remaining 2,382,000 Award Shares were awarded by way of purchase of existing Shares on the Stock Exchange ("**Purchase Shares**"). The Board shall cause to pay the Trustee the purchase price and the related expense from the Company's resources. The Trustee shall purchase from the market the relevant number of Purchase Shares and shall hold the Purchase Shares on trust for the relevant Selected Participants until they are delivered in accordance with the terms of the Share Award Plan. There is no condition, performance target or lock up attached to the Purchase Shares.

### **THE SHARE AWARD PLAN AND ITS LEGAL IMPLICATION**

Pursuant to the Share Award Plan, the maximum number of Shares that can be awarded in each financial year is limited to 10% of the total number of Shares in issue as at the beginning of that financial year. The total number of Shares available for awards under the Share Award Plan in the current financial year is 42,401,900, representing 10% of the total number of issued Shares as at 1 January 2017. Except for the grant of Award Shares as mentioned in this announcement, no Shares have been awarded under the Share Award Scheme from the beginning of the current financial year to the date of this announcement.

The Award Shares to be issued and allotted by the Company to the Selected Participants represent approximately 0.875% of the Company's issued share capital as at the date of this announcement and approximately 0.873% of the Company's enlarged issued share capital after the issue and allotment.

Amongst Selected Participants, Ms. Weng Peihe, who is an executive director and chief executive officer of the Company, is awarded 2,382,000 Award Shares. Although Ms. Weng Peihe is a connected person of the Company, the grant to her will form part of her remuneration package under her service contract and is therefore, fully exempt from the reporting, announcement and independent Shareholders' approval requirements under Rules 14A.73(6) and 14A.95 of the Listing Rules. Ms. Weng Peihe has abstained from voting so far as the resolution for the approval of the grant of the Award Shares to her was concerned. Save and except for the above, other Selected Participants are employees of the Group and they are Independent Third Parties.

## DEFINITIONS

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

“Board”	the board of directors of the Company
“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”	as defined in the Listing Rules
“General Mandate”	the general mandate to issue Shares granted by the shareholders of the Company at the annual general meeting held on 3 June 2016
“Group”	the Company and its subsidiaries
“Independent Third Party”	a party and, if applicable, the ultimate beneficial owner of the party who does not fall 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)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Remuneration Committee”	the remuneration committee of the Company
“Selected Participants”	8 employees of the Company selected by the Board as grantees of the award of the Award Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Award Plan”	the share award plan adopted on 25 March 2011 by the Company and amended on 10 April 2013

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Trustee”

Best Services Limited, the independent trustee of the Share Award Plan

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

Hong Kong, 20 January 2017

*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*