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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)

POSITIVE PROFIT ALERT

This announcement is made by Tang Palace (China) Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Year**”), in comparison with the profit attributable to owners of the Company of approximately RMB4.4 million in the previous year, the Group is expected to record a profit attributable to the owners of the Company for the Year ranging from approximately RMB35 million to RMB45 million.

The Board considers that the significant increase in profit for the Year was mainly attributable to the gradual recovery of most of the Group’s restaurant business amid the novel coronavirus pneumonia COVID-19 pandemic (the “**Pandemic**”), resulting in an increase in both overall operation days and average daily revenue. As per announcement made by the Company on 13 August 2021, following the gradual improvement of the Pandemic since the second half of 2020, the financial performance of the Group has already significantly improved in the first half of 2021.

While the Group’s performance for the Year is expected to have significantly improved when compared to that of the corresponding period of 2020, due to the continuation of the Pandemic, different prevention and control measures in order to curb the Pandemic (such as restricting social gatherings, limiting restaurant business hours and banning dine-in business) will be implemented by various regions. All these control measures will cause serious impacts to the catering industry and bring significant uncertainty to the Group’s business performance. The Group will evaluate its business strategies from time to time and adopt appropriate measures to widen the sources of income while controlling its operating costs, and make further disclosure in accordance with the requirements of the Listing Rules.

The Company is in the process of finalising the Group's annual results for the Year. The information contained in this announcement is only a preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group available up to the date of this announcement and the latest available information (which have neither been audited nor reviewed by the auditor and the audit committee of the Company), and therefore, is subject to adjustments. Detailed financial results of the Company for the Year will be published in the annual results announcement by the end of March 2022 pursuant to the Listing Rules requirements.

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

By Order of the Board
Tang Palace (China) Holdings Limited
Wong Chung Yeung
Executive Director and Company Secretary

Hong Kong, 17th March 2022

As at the date of this announcement, the Board comprises the following directors:

Executive directors:

Ms. WENG Peihe, Mr. YIP Shu Ming, Mr. CHAN Man Wai, Mr. KU Hok Chiu, Mr. CHEN Zhi Xiong, Mr. WONG Chung Yeung

Independent non-executive directors:

Mr. KWONG Chi Keung, Mr. KWONG Ping Man, Mr. CHEUNG Kin Ting Alfred