

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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)**

### **1) PROPOSED SHARE SUBDIVISION AND 2) CONNECTED TRANSACTION GRANT OF NEW SHARES TO A CONNECTED PERSON UNDER THE SHARE AWARD PLAN**

#### **1) PROPOSED SHARE SUBDIVISION**

The Board proposes to subdivide each issued and unissued Existing Share of HK\$0.10 in the share capital of the Company into two (2) Subdivided Shares of HK\$0.05 each.

The Share Subdivision will become effective upon the fulfilment of the conditions set out in the paragraph headed “Conditions of the Share Subdivision”. All Subdivided Shares will rank *pari passu* with each other in all respects with the Shares in issue and the Share Subdivision will not result in any change in the relative rights of the Shareholders.

The Shares are currently traded in the board lot size of 2,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain unchanged, with 2,000 Subdivided Shares in each board lot.

## **2) GRANT OF NEW SHARES TO A CONNECTED PERSON UNDER THE SHARE AWARD PLAN**

On 7 May 2018, the Board has resolved to recommend to the Independent Shareholders to grant the Award Shares to the Connected Participant under the Share Award Plan, being (i) 1,540,000 new Existing Shares (if the Share Subdivision is not effective as at the date of allotment of the Award Shares) or (ii) 3,080,000 new Subdivided Shares (if the Share Subdivision is effective as at the date of allotment of the Award Shares) by way of issue and allotment of new Shares pursuant to the Specific Mandate.

The Award Shares to be issued and allotted by the Company to the Connected Participant represent approximately 0.289% of the Company's issued share capital as at the date of this announcement and approximately 0.288% of the Company's enlarged issued share capital after the allotment.

The Connected Participant is a Director and accordingly a connected person to the Company and the grant of the Award Shares to the Connected Participant under the Share Award Plan shall constitute a non-exempt connected transaction on the part of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **GENERAL**

An Independent Board Committee has been established to advise the Independent Shareholders on whether the Award is on normal commercial terms and conducted in the Company's ordinary and usual course of business, and its terms are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and how to vote on the resolution regarding the Award. TC Capital has been appointed as Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held on 4 June 2018 for the purpose of considering and, if thought fit, approving the Share Subdivision, the Award and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Share Subdivision and the Award, together with the notice of the EGM and proxy form, is expected to be despatched to the Shareholders on 15 May 2018.

## 1) PROPOSED SHARE SUBDIVISION

The Board proposes to subdivide each issued and unissued Existing Share of HK\$0.10 in the share capital of the Company into two (2) Subdivided Shares of HK\$0.05 each.

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 2,000,000,000 Existing Shares of HK\$0.10 each, of which 532,768,750 Existing Shares had been issued and were fully paid or credited as fully paid. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$200,000,000 divided into 4,000,000,000 Subdivided Shares, of which 1,065,537,500 Subdivided Shares will be in issue, assuming that no further Shares will be issued or repurchased from the date of this announcement and up to the date of the Share Subdivision becoming effective.

All Subdivided Shares will rank *pari passu* with each other in all respects and the Share Subdivision will not result in any change in the relative rights of the Shareholders. As at the date of this announcement, no options have been granted under the Share Option Scheme and the Company does not have any other derivative option, warrant and conversion right or similar right which are convertible or exchangeable into Shares.

An application has been made to the Listing Committee of the Stock Exchange for the listing of and the permission to deal in the Subdivided Shares on the Stock Exchange.

### **Board Lot Size**

The Shares are currently traded in the board lot size of 2,000 Existing Shares. No change will be made to the board lot size for trading and upon the Share Subdivision becoming effective, the Shares will be traded in board lots of 2,000 Subdivided Shares.

It is expected that the Share Subdivision will not result in any odd lots of the Existing Shares other than those already exist before the Share Subdivision becoming effective. Accordingly, no arrangement will be made by the Company for matching of sale and purchase of odd lots in connection with the Share Subdivision.

### **Conditions of the Share Subdivision**

The Share Subdivision is conditional upon fulfilment of the following conditions:

- (i) the passing by the Shareholders at the EGM of an ordinary resolution approving the Share Subdivision;

- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares; and
- (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise that may be required in respect of the Share Subdivision, if necessary.

### **Listing and Dealings**

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought on any other stock exchanges other than the Stock Exchange.

### **Free Exchange of Share Certificates**

The existing share certificates for the Existing Shares will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Wednesday, 11 July 2018 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one (1) Existing Share for two (2) Subdivided Shares.

Subject to the Share Subdivision becoming effective, the Shareholders can submit their existing share certificates for the Existing Shares (which are red in colour) to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for new share certificates for the Subdivided Shares (which will be blue in colour) free of charge between 9:00 a.m. and 4:30 p.m. on any Business Day from Tuesday, 5 June 2018 to Friday, 13 July 2018 (both dates inclusive). After the expiry of such period, existing share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued or each existing share certificate cancelled, whichever number of share certificates involved is higher.

It is expected that the new share certificates for the Subdivided Shares will be available for collection on or after the 10th Business Day after the submission of the existing share certificates for the Existing Shares to Tricor Investor Services Limited for exchange.

### **Trading Arrangement**

Subject to the Share Subdivision becoming effective, dealings in the Subdivided Shares are expected to commence on 5 June 2018. Parallel trading in the Existing Shares and the Subdivided Shares (in the form of existing share certificates in red colour and new share certificates in blue colour) will be operated from Wednesday, 20 June 2018 to Wednesday, 11 July 2018 (both days inclusive).

### **Reason for the Share Subdivision**

Upon the proposed Share Subdivision becoming effective, the nominal value of each Share will decrease and the total number of shares of the Company in issue will increase. The Share Subdivision is expected to bring a corresponding downward adjustment to the trading price of the Shares on the Stock Exchange. The Board is of the view that the Share Subdivision will reduce the trading spread and improve the liquidity in trading of the Subdivided Shares, thereby enabling the Company to attract more investors and broaden the Shareholders' base.

Other than the expenses to be incurred (including printing charges and professional fees) in relation to the Share Subdivision, the implementation thereof will not alter or affect the underlying assets, business operations, management or financial position of the Group or the shareholdings, rights and interests of the Shareholders. The Board considers that the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

### **Effect on the Proposed Final Dividend as a Result of Share Subdivision**

Reference is made to the annual result announcement of the Company for the year ended 31 December 2017 dated 26 March 2018, and the circular of the Company and notice of the AGM both dated 23 April 2018 in relation to, among other things, the recommendation of the payment of the Final Dividend of HK23.00 cents per Existing Share. If the proposed Final Dividend is approved by the Shareholders at the AGM and the proposed Share Subdivision is approved by the Shareholders at the EGM, the payment of the Final Dividend per each Subdivided Share will be HK11.50 cents payable to Shareholders whose names appear on the register of members of the Company on 8 June 2018. Such Final Dividend is expected to be paid on 31 July 2018.

## Expected Timetable

The expected timetable for the proposed Share Subdivision is set out below:

### *Events*

Despatch of circular (including notice of EGM)  
and related proxy form to Shareholders . . . . . On or before Tuesday,  
15 May 2018

Latest time for lodging transfers of shares to  
qualify for attending and voting at the EGM . . . . . 4:30 p.m. on Monday,  
28 May 2018

Closure of register of members for the purpose of  
determining members who are entitled to attend  
and vote at the EGM . . . . . Tuesday, 29 May 2018 to  
Monday, 4 June 2018  
(both dates inclusive)

Latest time for lodging the form of proxy for the  
EGM (not less than 48 hours prior to the time of  
the EGM) . . . . . 3:30 p.m. on Saturday,  
2 June 2018

Record date for attending and voting at the EGM . . . . . Monday, 4 June 2018

Expected date and time of the EGM to approve the  
Share Subdivision and the Award . . . . . 3:30 p.m. on Monday,  
4 June 2018

Expected date of the publication of the  
announcement of poll results of the EGM . . . . . Monday, 4 June 2018

### *The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision*

Effective date of the Share Subdivision . . . . . Tuesday, 5 June 2018

First day of free exchange of existing share  
certificates (in red colour) for new share  
certificates (in blue colour) for Subdivided  
Shares . . . . . Tuesday, 5 June 2018

Dealing in Subdivided Shares commences . . . . . 9:00 a.m., Tuesday,  
5 June 2018

Original counter for trading in the Existing Shares  
in board lots of 2,000 Existing Shares  
temporarily closes . . . . . 9:00 a.m., Tuesday,  
5 June 2018

Temporary counter for trading in board lots of  
4,000 Subdivided Shares (in the form of existing  
share certificates (in red colour)) opens . . . . . 9:00 a.m., Tuesday,  
5 June 2018

Record date for the Final Dividends. . . . . Friday, 8 June 2018

Original counter for trading in the Subdivided  
Shares (in the form of new share certificates (in  
blue colour)) in board lots of 2,000 Subdivided  
Shares re-opens . . . . . 9:00 a.m., Wednesday,  
20 June 2018

Parallel trading in Existing Shares and Subdivided  
Shares (in the form of existing share certificates  
in red colour and new share certificates in blue  
colour) commences . . . . . 9:00 a.m., Wednesday,  
20 June 2018

Temporary counter for trading in Subdivided  
Shares in board lots of 4,000 Subdivided Shares  
(in the form of existing share certificates (in red  
colour)) closes. . . . . 4:00 p.m., Wednesday,  
11 July 2018

Parallel trading in Existing Shares and Subdivided  
Shares (in the form of existing share certificates  
in red colour and new certificates in blue colour)  
ends . . . . . 4:00 p.m., Wednesday,  
11 July 2018

Last day for free exchange of existing shares  
certificates . . . . . Friday, 13 July 2018

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above and elsewhere in this announcement are indicative only and may be extended or varied by the Company. Any change to the expected timetable will be published or notified to the Shareholders as and when appropriate.



## 2) GRANT OF NEW SHARES IN FAVOUR OF A CONNECTED PERSON UNDER THE SHARE AWARD PLAN

### Background of the Share Award Plan and the Award Shares

The Share Award Plan was adopted by the Company on 25 March 2011 (as supplemented and amended) to provide a means for the Company to (i) recognise and reward certain eligible participants who have contributed to the growth and development of the Group and encourage them to give their continual support to the Group; and (ii) to attract and retain suitable personnel for the further development of the Group.

On 7 May 2018, the Board resolved to recommend to the Independent Shareholders to grant the Award Shares to the Connected Participant under the Share Award Plan by way of issue and allotment of 1,540,000 new Existing Shares (if the Share Subdivision is not effective as at the date of allotment of the Award Shares) or 3,080,000 new Subdivided Shares (if the Share Subdivision is effective as at the date of allotment of the Award Shares).

As the Connected Participant is a connected person of the Company, the issue and allotment of the Award Shares in favour of the Connected Participant will constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules, and shall be subject to the approval by the Independent Shareholders at the EGM.

Set out below are details of the Award Shares to be granted in favour of the Connected Participant:

Name of Connected Participant	Number of Award Shares to be issued and allotted	
	<i>(if the Share Subdivision is not effective as at the date of allotment)</i>	<i>(if the Share Subdivision is effective as at the date of allotment)</i>
Ms. Weng Peihe	1,540,000 new Existing Shares	3,080,000 new Subdivided Shares

Save for being an executive Director and the chief executive officer of the Company, Ms. Weng does not have any other relationship (business or otherwise) with the Company's substantial or controlling Shareholders, Directors, chief executives or senior management. Ms. Weng had abstained from voting on the resolution of the Board so far as the approval of the Award and the transactions thereunder were concerned.



The Award Shares will first be issued and allotted by the Company to the Trustee, and represents approximately 0.289% of the total number of Shares in issue as at the date of this announcement and approximately 0.288% of the total number of Shares in issue as enlarged by the issue and allotment of the Award Shares.

Based on the closing price of HK\$3.70 per Share as quoted on the Stock Exchange on the date of this announcement, the aggregate market value of the Awards Shares will be HK\$5,698,000. The Award Shares, when issued and fully credited, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment. The average closing price of the Shares for the five consecutive trading days immediately preceding 7 May 2018 as quoted on the Stock Exchange is HK\$3.59 per Share.

The Company has not engaged in any fundraising exercises in the 12 months immediately preceding the date of the date of this announcement. No fund will be raised by the Company as a result of the issue and allotment of the Award Shares.

Application has been made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, the Award Shares.

### **Conditions**

The Award shall be subject to the following conditions:

- 1) the approval by the Independent Shareholders at the EGM in respect of the issue and allotment of the Award Shares pursuant to the Specific Mandate; and
- 2) the granting of the listing and dealing approval by the Stock Exchange in respect of the Award Shares.

All Award Shares shall vest immediately upon issue and allotment of the new Award Shares, subject to satisfaction of the conditions disclosed above.

### **Reasons for granting the Award Shares to the Connected Participant**

The principal businesses of the Group are restaurant operations and food production.

The Share Award Plan forms a part of the Group's incentive schemes. The Board considers the Award to be a means of aligning the interests of the Connected Participant and of the Shareholders through the ownership of Shares, effectively incentivizing the Connected Participant to strive for higher returns to the Company. The Board also considers the Award to be a recognition of the Connected Participant's industry expertise and her position as a key leader in the management of the Group's restaurant operations both historically and going

forward. In this connection, the Connected Participant's commitment to the Group is regarded by the Board as highly valuable, and retaining her involvement is vital part to the Group's future development.

### ***Remuneration Policy***

The Company's remuneration policy for executive Directors includes a monthly basic salary and a discretionary management bonus to be determined by the Board. The Company also adopted the Share Award Plan on 25 March 2011 which allows the Company to reward and retain key members of senior management whose expertise and long-term commitment are considered important to the Company's business objectives and continued growth.

In light of the Board's intention to maintain continuous and sustainable development for the Company, and the Connected Participant's unique values which are supportive of such objectives, the Remuneration Committee considers the grant of the Award Shares under the Share Award Plan to be generally in line with the Company's remuneration policy, as the granting of Shares is aligned with the performance of the Connected Participant.

Consideration was also given by the Remuneration Committee to the Connected Participant's unique contributions to the Group, in particular, her introduction of modern corporate management strategies, her role in building a core management team, her efforts in establishing a unique corporate culture and organizational refinement, all of which have been crucial to the sustainable growth of the Group, and are regarded to be significant drivers behind the Group's successful listing on the Stock Exchange on 11 April 2011. Since the listing, Ms. Weng continued to contribute to the growth of the Group through her leadership in the Group's new operations in various districts in Greater China, where she undertook a key role in the local networking, building a suitable management team and formulating core strategies for the Group's new operations.

The Board had also considered other means of remuneration for the Connected Participant, including remuneration increase and the grant of Share Options, but concluded that the Award is the preferred option because (i) it will not result in any actual cash outflow by the Group and (ii) other senior management had also been granted shares earlier in this financial year (as announced by the Company's announcement dated 4 April 2018). As the Board considered the Award serves to be an incentive to the Connected Participant to achieve higher returns to the Company, it would result in increased value to the Shareholders as a whole, and effectively offset any dilution impact resulting from the Award.

### ***Opinion of the Remuneration Committee***

In conclusion, the Remuneration Committee is of the opinion that since (i) the Connected Participant's contributions have been very important and unique to the Company; (ii) there will not be any actual cash outflow by the Group under the Award; and (iii) the grant of Award Shares is in line with the remuneration given to other senior management of the Company who also received Shares under the Share Award Plan (as announced by the Company in its announcement dated 4 April 2018) and (iv) the Award is expected to serve as a key incentive to the Connected Participant to strive for higher returns to the Company, effectively offsetting the dilution effect of the newly issued Award Shares and (v) the remuneration package of the Connected Participant recognizes her skills and contributions which support the Group's business expansion and her long term support will continue to promote the Group's future development, therefore the Award is considered to be on normal commercial terms and conducted in the ordinary and usual course of business of the Group, and the terms and conditions of the Award are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***Recommendation of the Board***

Upon the recommendation of the Remuneration Committee and the factors that it has taken into consideration, the Board agrees with the Remuneration Committee's view that the Award is on normal commercial terms and conducted in the Company's ordinary and usual course of business, and its terms are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

### **Listing Rules and Legal Implications**

Pursuant to the Share Award Plan, the maximum number of Shares that can be awarded under the Share Award Plan in each financial year is limited to 10% of the total issued share capital of the Company as at the beginning of that financial year. The maximum number of Award Shares which may be granted under the Share Award Plan for the financial year ending 31 December 2018 is 53,168,625 Shares. Following the award of Shares by the Company under the Share Award Plan on 4 April 2018, there remains 52,086,125 Shares available under the Share Award Plan for further awards by the Company for the financial year ending 31 December 2018.

The Connected Participant is a Director and accordingly a connected person to the Company and the grant of the Award Shares to the Connected Participant under the Share Award Plan shall constitute a non-exempt connected transaction on the part of the Company under Chapter 14A of the Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Weng, who is an executive Director and the chief executive officer of the Company holding 10,355,000 Shares, representing approximately 1.94% of the issued Shares as at the date of this announcement, is required to abstain from voting in respect of the proposed resolution approving the award of the Award Shares to her. To the best of the Directors' knowledge, information and belief, no other Shareholders has a material interest in the Award as at the date of this announcement and accordingly, other than Ms. Weng, no other Shareholder is required to abstain from voting at the EGM. Ms. Weng does not have any relationship (business or otherwise) with the Company's substantial or controlling Shareholders, Directors, chief executive or senior management, except for being an executive Director and the chief executive officer of the Company.

Ms. Weng had abstained from voting on the board resolution of the Board so far as the approval of the Award and the granting of the Award Shares to her were concerned.

Pursuant to the Listing Rules, the resolution to be proposed at the EGM will be taken by way of poll and an announcement will be made after the EGM on the results of the EGM.

## **GENERAL**

The proposed share subdivision and the issue and allotment of Award Shares in favour of the Connected Participant under the Share Award Plan are not inter-conditional upon each other.

The Independent Board Committee comprising Mr. Kwong Chi Keung, Mr. Kwong Ping Man and Mr. Cheung Kin Ting Alfred, all being the independent non-executive Directors, has been formed to advise the Shareholders as to (i) whether the Award is on normal commercial terms and conducted in the Company's ordinary and usual course of business, and its terms are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Award is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Award and the transactions contemplated thereunder at the EGM. TC Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held on 4 June 2018 for the purpose of considering and, if thought fit, approving the Share Subdivision, the Award and the transactions contemplated thereunder.

The Connected Participant, who is an executive Director and the chief executive officer of the Company, holding 10,355,000 Shares, representing approximately 1.94% of the issued Shares as at the date of this announcement, is required to abstain from voting in respect of the proposed resolution approving the Award.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, no other Shareholders has a material interest in the Award as at the date of this announcement and accordingly, other than Ms. Weng, no other Shareholder is required to abstain from voting at the EGM to approve the Award.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, no Shareholders are required to abstain from voting at the EGM to approve the Share Subdivision.

A circular containing, among other things, further details of the Share Subdivision and the Award, together with the notice of the EGM and proxy form, is expected to be despatched to the Shareholders on 15 May 2018.

## **DEFINITIONS**

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

“AGM”	the annual general meeting of the Company to be convened and held at 2/F, The L. Place, 139 Queen’s Road Central, Central, Hong Kong on Monday, the 4 June 2018 at 4:00 p.m. to consider and, if appropriate, to approve the amongst other things, the resolutions relating to the Final Dividends as set out in the circular and the notice of annual general meeting both dated 23 April 2018
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Award”	the proposed granting of the Award Shares to the Connected Participant
“Award Shares”	1,540,000 new Existing Shares (if the Share Subdivision is not effective as at the date of allotment of the Award Shares), or 3,080,000 new Subdivided Shares (if the Share Subdivision is effective as at the date of allotment of the Award Shares) to be issued and allotted in favour of the Connected Participant under the Share Award Plan
“Board”	the board of Directors of Tang Palace (China) Holdings Limited
“Business Day(s)”	a day on which the Stock Exchange is open for the business of dealing in securities and there is no suspension in trading in the Shares of the Company on that day
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC

“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 Participant” or “Ms. Weng”	Ms. Weng Peihe, an executive Director and the chief executive officer of the Company and accordingly a connected person of the Company
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and approve, among others, the proposed Share Subdivision and the Award
“Existing Shares(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company before the Share Subdivision becoming effective
“Final Dividends”	the payment recommended by the Board of a final dividend of HK23.00 cents per Existing Share, payable to Shareholders whose names appear on the register of members of the Company on 8 June 2018 subject to the approval of the Shareholders at the AGM and if the Share Subdivision becomes effective on 5 June 2018, the payment per each Subdivided Share will be HK11.50 cents
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the Award



“Independent Financial Adviser” or “TC Capital”	TC Capital International Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, and appointed to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Award are fair and reasonable and in the interests of the Company and the Shareholders as a whole
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM to approve the Award
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is (are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders, of the Company, its subsidiaries or any of their respective associate(s)
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share Award Plan”	the share award plan adopted on 25 March 2011 by the Company (as supplemented and amended)
“Share(s)”	means the Existing Share(s) and/or the Subdivided Share(s), as the case may be
“Shareholder(s)”	the holder(s) of the Shares
“Share Option Scheme”	the share option scheme of the Company adopted on 25 March 2011
“Share Subdivision”	the proposed subdivision of each issued and unissued Existing Shares into two (2) Subdivided Shares
“Specific Mandate”	a specific mandate to be sought from the Independent Shareholders at the EGM in respect of the issue and allotment of the Award Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company upon the Share Subdivision becoming effective



“Trustee”

Best Service Limited, the trustee appointed by the Company for the purpose of the trust in connection with the Share Award Plan which is an Independent Third Party

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

Hong Kong, 7 May 2018

*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*