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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)

CHANGE OF BOARD COMPOSITION AND DIRECTORS' ROLES AND CHANGE OF CHIEF EXECUTIVE OFFICER

The Board would like to announce that the Board composition and Directors' roles have been approved by the Board to be changed with effect from 1 July 2020. Two existing senior management officers of the Group will be appointed as executive Directors. The chairman of the Board and the chief executive officer of the Group will be changed. Upon the changes becoming effective on 1 July 2020, the members of the Board will increase from seven to nine and comprise six executive Directors and three independent non-executive Directors. Details of the relevant changes are set forth below.

1. CHANGE OF BOARD COMPOSITION AND DIRECTORS' ROLES

A. Appointment of Directors

- (1) Mr. Chen Zhi Xiong, the existing vice president of the Group, will be appointed as an executive Director.
- (2) Mr. Wong Chung Yeung, the existing chief financial officer and company secretary of the Company, will be appointed as an executive Director and will continue to act as chief financial officer and company secretary of the Company.

B. Change of Chairman and Resignation of Vice Chairman

- (1) Mr. Yip Shu Ming will resign as the chairman of the Board.
- (2) Mr. Chan Man Wai will resign as the vice chairman of the Board.
- (3) Ms. Weng Peihe, an existing executive Director and the current chief executive officer of the Group, will act as the chairman of the Board.

2. CHANGE OF CHIEF EXECUTIVE OFFICER

- (1) Ms. Weng Peihe will resign as the chief executive officer of the Group.
- (2) Mr. Chen Zhi Xiong will act as the chief executive officer of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of Tang Palace (China) Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to announce that the following changes in Board composition and Directors’ roles have been approved and will take effect from 1 July 2020.

The nomination committee of the Company and the Board continuously assess the Board composition with the aim of achieving greater diversification and sustainability. The following changes in Board composition were arrived at after thorough consideration of the Board taking into account the Group’s future development and management succession needs. Upon the changes becoming effective on 1 July 2020, the members of the Board will increase from seven to nine and comprise six executive Directors and three independent non-executive Directors.

1. CHANGE OF BOARD COMPOSITION AND DIRECTORS’ ROLES

A. Appointment of new Executive Directors

- (1) Mr. Chen Zhi Xiong, the existing vice president of the Group, will be appointed as an executive Director.
- (2) Mr. Wong Chung Yeung, the existing chief financial officer and company secretary of the Company, will be appointed as an executive Director and will continue to act as chief financial officer and company secretary of the Company.

B. Change of Chairman and Resignation of Vice Chairman

- (1) Mr. Yip Shu Ming will resign as the chairman of the Board.
- (2) Mr. Chan Man Wai will resign as the vice chairman of the Board.
- (3) Ms. Weng Peihe, an existing executive Director and the current chief executive officer of the Group, will act as the chairman of the Board.

2. CHANGE OF CHIEF EXECUTIVE OFFICER

- (1) Ms. Weng Peihe will resign as the chief executive officer of the Group.
- (2) Mr. Chen Zhi Xiong will act as the chief executive officer of the Group.

Subsequent to the aforesaid change, the code provision A.2.1 of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), which provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual, will still be complied with by the Group.

Mr. Chen Zhi Xiong has been with the Group for more than twenty years and is currently the vice president of the Group. His profound experience in the Group’s overall operation, corporate management and business development, combined with his core talents in food and beverage area, like cookery and products management, the Board is confident that he is capable of serving the role of chief executive officer. Please refer to the later section of this announcement for further biographical details of Mr. Chen.

Ms. Weng Peihe has been the chief executive officer of the Group since 2000. She was selected as the third awardee of the Best Female CEOs of Listed Company by Forbes China in 2018, and was chosen as one of the one hundred “Most Outstanding Women in Commerce in China” by Forbes China in 2019. With her passion and dedication, Ms. Weng has led the Group effectively in the past and demonstrated her unique contributions to the Group, including the introducing and implementing of modern corporate management strategies, building and maintaining a core management team, establishing a unique corporate culture and striving to organise and promote lean management, 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 in 2011. The Board believes that Ms. Weng is the right candidate to serve the role of the chairman of the Group.

The founders of the Group, Mr. Yip Shu Ming and Mr. Chan Man Wai confirmed that their respective resignations as the chairman and vice chairman of the Board were tendered after detail consideration and thorough communication with the Board, taking into account the sufficient maturity and ability of the management team, and considering that the expanded Board, under the leadership of Ms. Weng as the chairman, would be able to effectively lead the management team in their response to the changes and challenges in the current market. Ms. Weng will take on the role of chairman of the Board following her resignation as the chief executive officer of the Group, which role she believes could be effectively performed by the current vice president of the Group, Mr. Chen Zhi Xiong. Each of Mr. Yip Shu Ming, Mr. Chan Man Wai and Ms. Weng Peihe has also confirmed that he/she has no disagreement with the Board and there is no other matter relating to the change of his/her respective role with the Group that needs to be brought to the attention of

the shareholders of the Company (the “**Shareholders**”). Mr. Yip Shu Ming will act as the chairman of subsidiary (namely Hong Kong Tong Palace Food & Beverage Group Company Limited) of the listed Company.

3. BIOGRAPHICAL DETAILS OF NEWLY APPOINTED DIRECTORS

New Executive Directors

Mr. Chen Zhi Xiong

Mr. Chen, aged 49, has been with the Group since May 2000 and has been the vice president of the Group since January 2013. Mr. Chen is also a director of certain subsidiaries of the Group. Mr. Chen is primarily responsible for overseeing the Group’s business development, overall restaurant operations, supply chain management and food factory operations. With his rich experience in the food and beverage industry, in particular in the crucial areas of cookery and kitchen management, together with his profound understanding in corporate management and business development, Mr. Chen hence plays an integral role in formulating core strategies for the Group and has been indispensable in helping the Group attain its unique market positioning. He was an editor on the China Hotel and Catering Industry Book Series Editorial Board from May 2005, honorary consultant to the Provincial and Hong Kong Gourmet Weekly from March 2006 and chairman of the Expert Committee of Zhuhai Food & Beverage Association from June 2006. He was accredited as China Cooking Master by China Hotel Association in 2003 and accredited National Judge Qualification (Hotel) — First Class from China Hotel Association in 2004. Mr. Chen was also awarded the group silver award in the 5th National Cooking Skills Competition in 2003 by The Organizing Committee of the 5th National Cooking Skills Competition, the Hong Kong, Guangdong and Macau Top Ten Chefs 2004 — Gold Award by the Editorial Board of the Hong Kong, Guangdong and Macau Chefs Ceremony and the Quan Guo Shi Jia Jin Shao Jiang in the China Hotel System Service Skill Competition by the China Hotel System Service Skill Competition (Zhongnan District) Organizing Committee in 2005. He obtained a certificate from the Nutritional Occupational Skills Testing Authority of the Ministry of Labor and Social Security for passing the tests for nutritionist and Chinese cook in December 2005 and June 2007 respectively. In 2006, he was awarded a Diploma of Membership by Les Amis d’Escoffier Society, Inc. (now known as Les Amis d’Escoffier Society of New York, Inc.) as Honorary Chairman. Mr. Chen completed the ERS 5S Management Certificate Course from the Hong Kong Environmental Resource and Safety Institute in April 2009.

Mr. Chen did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Chen has entered into a service contract with the Company for a specific term of three years commencing from 1 July 2020 and is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company pursuant to the articles of association of the Company. Pursuant to the service contract, Mr. Chen is entitled to a basic salary of Renminbi 889,572 and the director's fee of HK\$240,000 per annum and a discretionary bonus and allowance based on performance. The emolument of Mr. Chen is recommended by the remuneration committee of the Company with reference to the prevailing market conditions, the time commitment and specific role and responsibilities of Mr. Chen and the performance of the Group and approved by the Board in accordance with the authorisation given by the Shareholders at the annual general meeting.

As at the date of this announcement, Mr. Chen had personal interests in 5,020,000 shares of the Company (the “**Shares**”) within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

Save as disclosed above, Mr. Chen has confirmed that there are no other matters relating to his appointment that need to be brought to the attention of Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

Mr. Wong Chung Yeung (Chief Financial Officer and Company Secretary)

Mr. Wong, aged 43, is the chief financial officer and company secretary of the Company. Mr. Wong joined the Group in January 2012 and was appointed as the company secretary of the Company on 31 May 2012. Mr. Wong is also a company secretary of certain subsidiaries of the Group. Mr. Wong is responsible for the overall management of the Group's finance and accounting, taxation, information technology, investor relations and listing compliance functions. He graduated from the Hong Kong University of Science and Technology in 1999 with a bachelor's degree of business administration in accounting and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has rich experience in the finance and accounting profession. Prior to joining the Group, Mr. Wong worked in Ernst & Young from June 2000 to December 2011. Mr. Wong is a non-executive director of Goal Forward Holdings Limited (Stock Code: 1854), a company listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Wong did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Wong has entered into a service contract with the Company for a specific term of three years commencing from 1 July 2020 and is subject to the rotational retirement and re-election requirements at the annual general meetings of the Company pursuant to the articles of association of the Company. Pursuant to the service contract, Mr. Wong is entitled to a basic salary of HK\$1,020,000 and the director's fee of HK\$240,000 per annum and a discretionary bonus based on performance. The emolument of Mr. Wong is recommended by the remuneration committee of the Company with reference to the prevailing market conditions, the time commitment and specific role and responsibilities of Mr. Wong and the performance of the Group and approved by the Board in accordance with the authorisation given by the Shareholders at the annual general meeting.

As at the date of this announcement, Mr. Wong had personal interests in 990,000 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Wong has confirmed that there are no other matters relating to his appointment that need to be brought to the attention of Shareholders and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

Re-election of the new executive Directors at the next following general meeting of the Company

Pursuant to Article 109 of the Articles of Association of the Company, any additional Directors appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting. Accordingly, given the appointment of Mr. Chen Zhi Xiong and Mr. Wong Chung Yeung shall become effective on 1 July 2020, they are currently expected to retire and be eligible for re-election by the Shareholders at the next general meeting of the Company following their appointment becoming effective.

Mr. Chen and Mr. Wong have years of experience within the Group and have extensive knowledge of the Group's operations. In addition, they are both highly accomplished in their areas of expertise. The Board believes that their appointment will bring a new perspective to the Board, and could rejuvenate and invigorate the Board, which is beneficial in improving the Group's operational efficiency and enhancing the Company's corporate governance. Besides, Ms. Weng has also been at the helm of the Group's management for decades, during which time she has been steadfastly committed to the long-term growth of the Group and forward-thinking in her approach to staff training, corporate management and business development. The Board believes that under the leadership of Ms. Weng (as the chairman of the Board) and Mr. Chen (as the chief executive officer of the Group), the Group could effectively navigate the rapidly changing market and seize the development opportunities, so as to maximize the return of Shareholders.

The Board would like to take this opportunity to extend a warm welcome to Mr. Chan Zhi Xiong and Mr. Wong Chung Yeung for joining the Board of the Company.

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

Hong Kong, 12 June 2020

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*