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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 six months ended 30 June 2021 (the “**Period**”), in comparison with the loss attributable to owners of the Company of RMB66.5 million in the corresponding period of the previous year, the Group is expected to record a profit attributable to the owners of the Company for the Period ranging from approximately RMB29 million to RMB33 million.

The Board believes the main cause of the Group’s expected turnaround from loss to profit is the significant increase of more than 70% in the revenue of the Group when compared to that of the corresponding period of the previous year, leading to an expectation to record a revenue of approximately RMB700 million. The increase in revenue was mainly due to the gradual improvement of the novel coronavirus pneumonia COVID-19 pandemic (the “**Pandemic**”) since the second half of 2020. Most of the restaurant business of the Group has gradually recovered from the Pandemic, resulting in an increase in both overall operation days and average daily revenue.

Although the Group’s performance during the Period is expected to have significantly improved when compared to that of the corresponding period of the previous year, due to the continuation of the Pandemic, relevant government departments in various regions will still implement different prevention and control measures in response to the Pandemic, causing uncertainty to the recovery of the Group’s performance. Therefore, the Group will continue to monitor the market conditions and closely review its business performance. Accordingly, 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.

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 Period will be published in the interim results announcement by the end of August 2021 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, 13th August 2021

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