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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)**

**INSIDE INFORMATION**

**FORMATION OF JOINT VENTURE WITH BEPPU IN HONG KONG**

This announcement is made by the Company pursuant to Rule 13.09 of 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).

Further to the announcement of the Company dated 29 July 2014 regarding signing of the memorandum of understanding, the Board is pleased to announce that on 19 December 2014, TRCML, an indirect non-wholly owned subsidiary of the Company, entered into the Joint Venture and Shareholders' Agreement with an Independent Third Party, Beppu, pursuant to which TRCML and Beppu will make equity capital contribution of up to HK\$5,000,000 and HK\$15,000,000 respectively to the JV Company. TRCML and Beppu will respectively hold 30% and 70% shareholding in the JV Company which will operate self-owned restaurants in Hong Kong principally serving Malaysian dishes under the "PappaRich" Trademark.

Under the Joint Venture and Shareholders' Agreement, TRCML has reserved right to operate two self-owned restaurants in Hong Kong principally serving Malaysian dishes under the "PappaRich" Trademark.

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

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong.).

## **(I) FORMATION OF JOINT VENTURE WITH BEPPU IN HONG KONG**

### **(A) Joint Venture and Shareholders' Agreement with Beppu**

#### *Date*

19 December 2014

#### *Parties*

- (1) TRCML as shareholder of the JV Company and the registered owner of the "PappaRich" Trademark in Hong Kong.
- (2) Beppu as shareholder of the JV Company.
- (3) Beppu Menkan, the controlling shareholder of Beppu, as the guarantor guaranteeing the performance of Beppu.
- (4) The JV Company.

#### *Capital contribution and shareholding*

TRCML and Beppu will make equity capital contribution of up to HK\$5,000,000 and HK\$15,000,000 respectively to the JV Company. The shareholding in the JV Company will be held by TRCML and Beppu as to 30% and 70% respectively. The different subscription prices payable by TRCML and Beppu were arrived at after arm's length negotiations.

#### *Board composition of the JV Company*

TRCML will be entitled to nominate two candidates and Beppu will be entitled to nominate three candidates to serve as directors of the JV Company.

#### *License of trademark and operation of restaurants*

TRCML, the registered owner of the "PappaRich" Trademark in Hong Kong will grant an exclusive license to the JV Company to operate self-owned restaurants in Hong Kong principally serving Malaysian dishes under the "PappaRich" Trademark.

The location, interior design and decoration, the menu as well as the marketing materials of all the self-owned restaurants are subject to the approval of TRCML.

#### *Term of the joint venture*

The term of the joint venture is 10 years from the date of formation of the JV Company which may be extended subject to further negotiation of the parties.

#### *Retention of right to open self-owned restaurants*

TRCML has reserved right to operate two self-owned restaurants in Hong Kong principally serving Malaysian dishes under the "PappaRich" Trademark.

## **(B) Information of the Joint Venture Partners**

TRCML is a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company and is principally engaged in investment holding.

Beppu is a company incorporated in Hong Kong with limited liability principally engaged in the operation of restaurants, food and beverages and related businesses in Hong Kong.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries and so far as the Directors are aware, Beppu and its ultimate beneficial owners are Independent Third Parties.

## **(C) Reasons for and Benefits of the Joint Venture**

The Group is primarily engaged in multi brands chain restaurant operation, in providing a wide selection of food and beverage services under various brand names in the PRC. The restaurants under the Group serve a variety of Chinese and casual dining cuisines in first-tier and second-tier cities across PRC, targeting mid-to high-end spending class customers as well as young diners.

The Group actively pursues in the expansion of its restaurant operations under the "PappaRich" brand. As announced by the Company in its announcement dated 17 July 2014, the Group would through a joint venture in Taiwan, operates self-owned restaurants and grants franchise to third party franchisees to operate restaurants under "PappaRich" brand. The formation of the JV Company in Hong Kong is part of the strategic planning of the Group to expand "PappaRich" brand restaurants. With the proven track record of restaurants operated under PappaRich brand coupled with expertise of Beppu in the operation of restaurants in Hong Kong, the Board believes the Group can expand the PappaRich operations into Hong Kong robustly through the opening of more outlets in Hong Kong by the JV Company.

## **(II) GENERAL**

The entering into of the Joint Venture and Shareholders' Agreement by TRCML does not constitute any notifiable transaction of the Company under Chapter 14 of the Listing Rules or a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

### (III) DEFINITIONS

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

“Beppu”	Beppu Group Limited, a company incorporated in Hong Kong with limited liability
“Beppu Menkan”	Beppu Menkan Management Limited, a company incorporated in Hong Kong with limited liability and is the controlling shareholder of Beppu
“Board”	the board of Directors of the Company
“BVI”	British Virgin Islands
“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 persons(s)”	as defined in the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party and, if applicable, the ultimate beneficial owner of the party who is not fallen 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)
“Joint Venture and Shareholders’ Agreement”	the joint venture and shareholders’ agreement dated 19 December 2014 entered into between TRCML, Beppu and the JV Company in relation to the formation of the JV Company
“JV Company”	PappaRich (Hong Kong) Catering Management Limited, a company incorporated in Hong Kong with limited liability to serve as the joint venture company pursuant to the Joint Venture and Shareholders’ Agreement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trademark”	the trademark  registered in Hong Kong and owned by TRCML
“TRCML”	Tang & Rich Catering Management Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of the Company

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

Hong Kong, 19 December, 2014

*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*