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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)**

## **PROPOSED BONUS ISSUE OF SHARES**

### **PROPOSED BONUS ISSUE OF ONE BONUS SHARE FOR EVERY FOUR EXISTING SHARES**

The Board proposed a Bonus Issue to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Bonus Share for every four (4) existing Shares held by the Qualifying Shareholders, subject to the approval by the Shareholders at the EGM.

The register of members of the Company will be closed from Tuesday, 3 October 2017 to Wednesday, 4 October 2017 (both days inclusive) in order to determine the entitlement of the Shareholders under the Bonus Issue. The Bonus Shares, upon issued, will rank *pari passu* in all respects with the Shares then in issue.

### **GENERAL**

The EGM will be convened and held to approve the Bonus Issue. A circular containing, among other things, details of the Bonus Issue together with a notice of EGM will be despatched to the Shareholders on or about Thursday, 7 September 2017.

## **PROPOSED BONUS ISSUE**

On 28 August 2017, the Board recommended the Bonus Issue to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Bonus Share for every four (4) existing Shares held by the Qualifying Shareholders, subject to the approval by the Shareholders at the EGM.

Details of the Bonus Issue are set out below.

### **Basis of Bonus Issue**

Subject to the conditions set out under the paragraph headed “Conditions of the Bonus Issue” below having been fulfilled, the Bonus Shares will be issued and credited as fully paid at par on the basis of one (1) Bonus Share for every four (4) existing Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

On the basis of 425,349,000 existing Shares in issue as at the date of this announcement, and (i) assuming no further Shares will be issued or repurchased on or before the Record Date; and (ii) there are no Non-qualifying Shareholders, it is anticipated that a total of 106,337,250 Bonus Shares credited as fully paid at par will be allotted and issued under the Bonus Issue and the amount of HK\$10,633,725 would be capitalised from the share premium account of the Company. After the completion of the Bonus Issue, there will be a total of 531,686,250 Shares in issue as enlarged by the allotment and issue of the Bonus Shares.

The actual number of Bonus Shares to be issued under the Bonus Issue will only be capable of determination after the Record Date.

### **Record Date and Closure of Register of Members**

Subject to the conditions set out under the paragraph headed “Conditions of the Bonus Issue” below having been fulfilled, the Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Non-qualifying Shareholders are further elaborated below under the paragraph headed “Overseas Shareholders”. The Company proposed to hold the EGM to approve the Bonus Issue on Tuesday, 26 September 2017. The register of members of the Company will be closed from Wednesday, 20 September 2017 to Tuesday, 26 September 2017 (both days inclusive), during which no transfer of Shares will be registered. In order to qualify for attendance of and voting at the EGM, all completed share transfer documents together with the relevant share certificates must be lodged with 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 no later than 4:30 p.m. on Tuesday, 19 September 2017.

For the purpose of determining the entitlement of the Shareholders under the Bonus Issue, the register of members of the Company will also be closed from Tuesday, 3 October 2017 to Wednesday, 4 October 2017 (both days inclusive), during which no transfer of Shares will be registered.

In order to qualify for the Bonus Issue, non-registered Shareholders should ensure that Share transfer documents together with the relevant share certificates must be lodged with 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 no later than 4:30 p.m. on Friday, 29 September 2017.

### **Overseas Shareholders**

If, as at the close of business on the Record Date, a Shareholder's address as recorded on the register of members of the Company is in a place outside Hong Kong, the Board will make enquiries as to whether the Bonus Issue to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that there is no legal restriction(s) under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, such Overseas Shareholders will be permitted to participate in the Bonus Issue. If, however, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restriction(s) under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer to such Overseas Shareholders, no issue of the Bonus Shares will be made to such Overseas Shareholders, and they will be treated as Non-qualifying Shareholders.

Overseas Shareholders receiving a copy of the circular concerning the Bonus Issue may not treat the same as an invitation to participate in the Bonus Issue unless such invitation could lawfully be made to him/her/it without having to comply with any registration or other legal requirements in the relevant territory.

In circumstances where any Overseas Shareholders are not permitted to participate in the Bonus Issue, arrangements will then be made for the Bonus Shares which would otherwise have been issued to the Non-qualifying Shareholder(s), if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares has commenced, if a premium, net of expenses, can be obtained. Any proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Non-qualifying Shareholders and remittances will be posted to them, at their own risk. If the amount falling to be distributed to any such person is less than HK\$100, it will be retained for the benefit of the Company.

All Shareholders residing outside Hong Kong are strongly recommended that they should consult their bankers, brokers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Bonus Shares.

## **Status of Bonus Shares**

The Bonus Shares, upon issued, will rank *pari passu* in all respects with the Shares then in issue, including the entitlement to receive dividends and other distributions the record date for which is on or after the date of allotment and issue of those Bonus Shares.

## **Fraction of Bonus Shares**

The total number of Bonus Shares to be issued to any Shareholders will be rounded down to a whole number if there are any fractional entitlements of the Bonus Shares. Such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the Shareholders, but will be aggregated and sold for the benefit of the Company.

## **Conditions of the Bonus Issue**

The Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Issue;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant statutory procedures and requirements (if any) under the laws of the Cayman Islands and articles of association of the Company to effect the Bonus Issue.

## **Certificates for the Bonus Shares**

It is expected that the certificates for the Bonus Shares (which are not renounceable) will be posted by ordinary mail on or before Tuesday, 10 October 2017, after all the conditions having been fulfilled, at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. In the case of a joint holding, the share certificates for the Bonus Shares will be posted to the address of the person whose name stands first on the register of members of the Company on the Record Date. Dealings in the Bonus Shares are expected to commence on Wednesday, 11 October 2017.

Each Shareholder will receive one Share certificate for all the Bonus Shares issued and allotted to him/her/it.

## Reasons for the Bonus Issue

In recognition of the recent substantial increase in net profits for the relevant period and to encourage the Shareholders to continue to support the Company's future development by rewarding the Shareholders and sharing with them the positive results of the Company, the Board decided to propose the Bonus Issue, which will enable the Qualifying Shareholders to enjoy a pro-rata increase in number of shares being held by them in the Company without their incurring of any significant cost. The Board expects the Bonus Issue will motivate the Qualifying shareholders continue to participate in the future growth and development of the Company. The Company as a whole, on the other hand, could benefit from the increased liquidity in the Shares by increasing the number of Shares that will be in issue, actual liquidity prospects will depend upon the extent of trading in the Bonus Shares.

## GENERAL INFORMATION

The EGM will be convened and held to approve the Bonus Issue. A circular containing, among other things, details of the Bonus Issue together with a notice of the EGM, will be despatched to the Shareholders on or about Thursday, 7 September 2017. To the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution to approve the Bonus Issue at the EGM.

## EXPECTED TIMETABLE

The expected timetable for the proposed Bonus Issue is set out below:

<b>EVENTS</b>	<b>2017</b>
Despatch of circular and notice of the EGM . . . . .	Thursday, 7 September
Latest time for the lodging transfer of Shares for entitlement to attend and vote at the EGM . . . . .	4:30 p.m., Tuesday, 19 September
Closure of register of members of the Company for determining the identity of the Shareholders who are entitled to attend and vote at the EGM . . . . .	From Wednesday, 20 September to Tuesday, 26 September (both days inclusive)
Latest time for lodging the proxy form for the EGM . . . . .	4:00 p.m., Sunday, 24 September
Date and time of the EGM . . . . .	4:00 p.m., Tuesday, 26 September
Publication of poll results announcement of the EGM . . . . .	Tuesday, 26 September

The following events are subject to the satisfaction of the conditions of the Bonus Issue as set out in this announcement:

**EVENTS**

**2017**

Last day of dealings in Shares on a cum-entitlement basis relating to the Bonus Issue . . . . . Wednesday, 27 September

First day of dealings in Shares on an ex-entitlement basis in relating to the Bonus Issue . . . . . Thursday, 28 September

Latest time for lodging transfers of Shares for registration in order to qualify for the Bonus Issue. . . . . 4:30 p.m., Friday, 29 September

Closure of register of members of the Company for determining entitlement to the Bonus Issue. . . . . From Tuesday, 3 October to Wednesday, 4 October (both days inclusive)

Record Date for determination of entitlement to the Bonus Shares . . . . . Wednesday, 4 October

Register of members of the Company re-opens . . . . . Friday, 6 October

Certificates of the Bonus Shares to be despatched . . . . . On or before Tuesday, 10 October

Dealings in Bonus Shares commence. . . . . 9:00 a.m., Wednesday, 11 October

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.

## DEFINITIONS

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

“Board”	the board of Directors of Tang Palace (China) Holdings Limited
“Bonus Issue”	the proposed allotment and issue of Bonus Shares to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Bonus Share for every four (4) existing Shares held by the Qualifying Shareholders
“Bonus Share(s)”	the new Shares to be allotted and issued by way of Bonus Issue by the Company as described in this announcement
“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)
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and approve the Bonus Issue
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the same meaning as ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-qualifying Shareholders”	Overseas Shareholder(s) who is(are) excluded from participating in the Bonus Issue, details of which have been included in the paragraph under the heading of the “Overseas Shareholders” in this announcement
“Overseas Shareholders”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown in the register of members of the Company on that date is(are) outside Hong Kong

“Qualifying Shareholders”	holders of Shares, not being Non-qualifying Shareholders, whose addresses as shown on the register of members of the Company on the Record Date and are entitled to the Bonus Issue
“Record Date”	Wednesday, 4 October 2017, being the date for ascertaining and determining the entitlement of the Shareholders to the Bonus Issue
“Share(s)”	ordinary issued share(s) of HK\$0.1 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 28 August 2017

*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*