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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)**

### PROFIT WARNING

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, according to a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the “**Reporting Year**”), the Group is expected to record a loss attributable to owners of the Company ranging from approximately RMB15 million to RMB20 million for the Reporting Year, as compared to a profit attributable to owners of the Company of approximately RMB42 million for the year ended 31 December 2023.

The Board considers that the expected turnaround from profit to loss for the Reporting Year was mainly attributable to the following factors:

- (i) As disclosed in the announcement of the Company on 15 August 2024, there has been a more prudent consumption pattern resulting from the slowdown of economic growth in Mainland China and Hong Kong due to global political changes and economic fluctuation. As a result, the Group’s number of customers and average spending per customer in restaurants decreased during the Reporting Year, which led to a decrease in the Group’s revenue by approximately 9% as compared to prior year.
- (ii) Provision of impairment losses on property, plant and equipment and right-of-use assets in the range of approximately RMB5 million to RMB7 million resulting from continuous loss making restaurants based on impairment assessment performed by management in accordance with prudent and appropriate accounting principles.
- (iii) Fair value loss of a financial asset at fair value through profit or loss in the range of approximately RMB5 million to RMB7 million based on the valuation report prepared by an independent external valuer.

To accommodate different market situation, the Group has rolled out a series of marketing activities which tap into the market of each region, including (i) the launch of different combination of promotions such as livestreaming to increase exposure and customer flow effectively, and (ii) hosting dining related events regularly aimed to raise customer loyalty. The Group has also stabilised cost by several measures including enhanced bulk purchase management, staff cost structure optimisation and rent reduction through communication with landlord. The Board is confident that through its excellent management team, a series of market-oriented operational adjustments, and effective cost control measures, the Group can achieve favorable outcomes for its sustainable development.

The aforesaid impairment losses and fair value loss are non-cash in nature and do not have an impact on the Group's operating cash flow.

The Company is in the process of finalising the Group's annual results for the Reporting Year. 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 year ended 31 December 2024 will be published in the annual results announcement by the end of March 2025 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**  
**Weng Peihe**  
*Chairman*

Hong Kong, 10 March 2025

*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*

*Independent non-executive directors:*

*Mr. KWONG Chi Keung, Mr. KWONG Ping Man, Mr. CHAN Kin Shun*