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**ROYAL CATERING GROUP HOLDINGS COMPANY LIMITED**

**皇璽餐飲集團控股有限公司**

*(incorporated in Cayman Islands with limited liability)*

**(Stock Code: 8300)**

**DISCLOSEABLE TRANSACTION AND  
EXEMPTED CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITIONS OF ISSUED SHARES IN DHY**

The Board is pleased to announce that on 10 March 2021 (after trading hours), the Group entered into the Current Transactions, pursuant to which the Group acquired an aggregate of 5% of the total issued shares of DHY at the aggregate consideration of HK\$700,000 from the Current Vendors.

Furthermore, in the past 12 months, the Group entered into the Previous Transaction, pursuant to which the Group acquired 5% of the total issued shares of DHY at the consideration of HK\$700,000 from the Previous Vendor.

**GEM LISTING RULES IMPLICATIONS**

As none of the applicable percentage ratio(s) in respect of each of the Current Transactions and the Previous Transaction, on a stand-alone basis, exceeds 5%, none of the Current Transactions and the Previous Transaction constitute notifiable transaction of the Company.

As the Group entered into the Current Transactions within a 12-month period after the Previous Transaction, the Current Transactions and the Previous Transaction shall be aggregated as a series of transaction for the Company pursuant to Rule 19.23(2) of the GEM Listing Rules. As one or more applicable percentage ratios in respect of the Current Transactions and the Previous Transaction (in aggregate) exceed 5% but all applicable percentage ratios are less than 25%, the Current Transactions and the Previous Transaction (in aggregate) constitute discloseable transaction for the Company.

Immediately before the completion of the Previous Transaction, Mr. Lam was a director of DHY and indirectly owned approximately 43.2% of the total issued shares of the Previous Vendor and the Group owned 90% of the total issued shares of DHY. Accordingly, Mr. Lam was a connected person of the Company by virtue of him being a director of a subsidiary of the Company and the Previous Vendor was a connected person of the Company by virtue of it being an associate of Mr. Lam. As a result, the Previous Transaction constituted a connected transaction of the Company. As the Previous Transaction was conducted on normal commercial terms or better and all applicable percentage ratios in respect of the Previous Transaction were less than 5% and the total consideration was less than HK\$3 million, the Previous Transaction was fully exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 20.74(1)(c) of the GEM Listing Rules.

The Board is pleased to announce that on 10 March 2021 (after trading hours), the Group entered into the Current Transactions, pursuant to which the Group acquired an aggregate of 5% of the total issued shares of DHY at the aggregate consideration of HK\$700,000 from the Current Vendors.

Furthermore, in the past 12 months, the Group entered into the Previous Transaction, pursuant to which the Group acquired 5% of the total issued shares of DHY at the consideration of HK\$700,000 from the Previous Vendor.

Details of the Current Transactions and the Previous Transaction are summarised as follows:

**Date**

22 February 2021, 10 March 2021

**Parties**

- (i) Alliance Catering, as purchaser in both the Previous Transaction and the Current Transactions
- (ii) LM Hospitality, as vendor in the Previous Transaction
- (iii) Mr. Chan and Ms. Luk, as vendors in the Current Transactions

**Subject matter and consideration**

Alliance Catering acquired and each of LM Hospitality, Mr. Chan and Ms. Luk sold 5%, 2.5% and 2.5% of the total issued shares of DHY at the consideration of HK\$700,000, HK\$350,000 and HK\$350,000, respectively. The considerations were settled by the Group in cash at the completion.

The considerations were determined after arm's length negotiations between the Group and each of the Previous Vendor and the Current Vendors with reference to the market value of 5% equity interest in DHY as of 31 December 2020 of approximately HK\$700,000 as assessed by the Independent Valuer.

## **Completion**

Completion of the Previous Transaction took place on the date of the relevant sale and purchase agreement, being 22 February 2021, and Mr. Lam resigned as a director of DHY on the same day.

Completion of the Current Transactions took place on the date of the relevant sale and purchase agreement, being 10 March 2021.

Upon completion of the Current Transactions, the Company indirectly owns all the issued shares of DHY.

## **INFORMATION OF THE PARTIES**

### **The Group**

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of casual dining food catering services in Hong Kong.

Alliance Catering is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. Alliance Catering is principally engaged in the provision of casual dining food catering services in Hong Kong.

### **DHY**

DHY is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, DHY was principally engaged in the operation of restaurants under the brand “*Du Hsiao Yueh (度小月)*” in Hong Kong.

Immediately before the completion of the Previous Transaction, DHY was owned as to 90%, 5%, 2.5% and 2.5% by Alliance Catering, LM Hospitality, Mr. Chan and Ms. Luk, respectively. Immediately after the completion of the Previous Transaction and before the completion of the Current Transactions, DHY was owned as to 95%, 2.5% and 2.5% by Alliance Catering, Mr. Chan and Ms. Luk, respectively. Immediately after the completion of the Current Transactions, DHY was wholly owned by Alliance Catering. The results of DHY would remain consolidated into the results of the Group.

The financial information of DHY, as extracted from its audited financial statements, is set out as follows:

	<b>For the financial year ended 31 March 2019 (audited) HK\$'000</b>	<b>For the financial year ended 31 March 2020 (audited) HK\$'000</b>
Net profit/(loss) before taxation	5,610	(17,269)
Net profit/(loss) after taxation	4,612	(18,780)

Based on the unaudited financial statements of DHY, the net asset value of DHY was approximately HK\$9,000 as at 31 December 2020.

### **Previous Vendor**

LM Hospitality is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of services. The original acquisition cost of the 5% of the total issued shares of DHY sold by LM Hospitality to the Group was HK\$450,000. Immediately before the completion of the Previous Transaction, LM Hospitality was indirectly owned as to approximately 43.2% by Mr. Lam and approximately 56.8% by an individual investor who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is a third party independent of the Company. As such, LM Hospitality was a connected person of the Company, the connected relationship of which is more particularly described in the section headed "GEM Listing Rules implications" in this announcement.

### **Current Vendors**

The Current Vendors are individual investors who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are third parties independent of the Company and connected persons of the Company.

### **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The Group has indirectly held a controlling stake in DHY since June 2017 and, through DHY, has been operating a number of restaurants under the brand "Du Hsiao Yueh (度小月)" in Hong Kong. The Directors hold a positive view towards the catering business and brand of DHY and believe that its business would bring positive returns to the Group in the long run. In addition, the Directors consider that acquiring the full control of DHY would streamline its organisational structure and enhance operational efficiency and management of DHY.

The Directors (including the independent non-executive Directors) consider that the Previous Transaction and Current Transactions have been carried out on normal commercial terms which are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As none of the applicable percentage ratio(s) in respect of each of the Current Transactions and the Previous Transaction, on a stand-alone basis, exceeds 5%, none of the Current Transactions and the Previous Transaction constitute a notifiable transaction of the Company.

As the Group entered into the Current Transactions within a 12-month period after the Previous Transaction, the Current Transactions and the Previous Transaction shall be aggregated as a series of transaction for the Company pursuant to Rule 19.23(2) of the GEM Listing Rules. As one or more applicable percentage ratios in respect of the Current Transactions and the Previous Transaction (in aggregate) exceed 5% but all applicable percentage ratios are less than 25%, the Current Transactions and the Previous Transaction (in aggregate) constitute discloseable transaction for the Company.

Immediately before the completion of the Previous Transaction, Mr. Lam was a director of DHY and indirectly owned approximately 43.2% of the total issued shares of the Previous Vendor and the Group owned 90% of the total issued shares of DHY. Accordingly, Mr. Lam was a connected person of the Company by virtue of him being a director of a subsidiary of the Company and the Previous Vendor was a connected person of the Company by virtue of it being an associate of Mr. Lam. As a result, the Previous Transaction constituted a connected transaction of the Company. As the Previous Transaction was conducted on normal commercial terms or better and all applicable percentage ratios in respect of the Previous Transaction were less than 5% and the total consideration was less than HK\$3 million, the Previous Transaction was fully exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 20.74(1)(c) of the GEM Listing Rules.

## **DEFINITIONS**

Unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Alliance Catering”	Alliance Catering Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors

“Company”	Royal Catering Group Holdings Company Limited (皇璽餐飲集團控股有限公司), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on GEM (Stock Code: 8300)
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“connected transaction”	has the meaning ascribed to it under the GEM Listing Rules
“Current Transactions”	the acquisition of an aggregate of 5% of the total issued shares of DHY from the Current Vendors at the aggregate consideration of HK\$700,000
“Current Vendors”	Mr. Chan and Ms. Luk
“DHY”	Du Hsiao Yueh (Hong Kong) Limited (度小月(香港)有限公司), which is more particularly described in the section headed “Information of the parties — DHY” in this announcement
“Directors”	director(s) of the Company
“discloseable transaction”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GEM”	GEM operated by the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Valuer”	International Valuation Limited, an independent valuer appointed by the Company
“LM Hospitality” or “Previous Vendor”	LM Hospitality Management & Consultants Limited, which is more particularly described in the section headed “Information of the parties — Previous Vendor” in this announcement
“Mr. Chan”	Mr. Chan Tin Yau Keven
“Mr. Lam”	Mr. Lam Woo Chung, who was a director of DHY and resigned on 22 February 2021

“Ms. Luk”	Ms. Luk Yuen Man
“notifiable transaction”	has the meaning ascribed to it under the GEM Listing Rules
“percentage ratio(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Previous Transaction”	the acquisition of 5% of the total issued shares of DHY from the Previous Vendor at the consideration of HK\$700,000, which was completed on 22 February 2021
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**Royal Catering Group Holdings Company Limited**  
**Wong Man Wai**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 10 March 2021

*As at the date of this announcement, the executive Directors are Mr. Wong Man Wai, Mr. Chan Chak To Raymond and Ms. Lam Wai Kwan; and the independent non-executive Directors are Mr. Ma Yiu Ho Peter, Mr. Cai Chun Fai and Mr. Ng Sai Cheong.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at [www.hkrcg.com](http://www.hkrcg.com).*