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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 SUBSCRIPTION OF FUND

The Board is pleased to announce that on 27 July 2017, the Subscriber, being a wholly-owned subsidiary of the Company, has subscribed for the Fund amounting to HK\$20,000,000 (including 1.1% subscription fee).

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Subscription exceed 5% but is less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and is subject to the reporting and announcement requirements thereunder.

BACKGROUND

The Board is pleased to announce that on 27 July 2017, the Subscriber, being a wholly-owned subsidiary of the Company, has subscribed for the Fund at an aggregate subscription amount of HK\$20,000,000 (including 1.1% subscription fee).

SUBSCRIPTION OF FUND

Date of subscription : 27 July 2017

Name of the Fund : AB — Global High Yield Portfolio (AT HKD)

Subscriber : Palace Corporation Ltd, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

Management company : AllianceBernstein (Luxembourg) S.à r.l.. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the management company is an Independent Third Party

Investment manager : AllianceBernstein L.P.

Distribution agent : Nanyang Commercial Bank, Limited

Dealing frequency	: Daily
Subscription amount	: HK\$20,000,000 (including 1.1% subscription fee). The subscription amount is paid in cash by internal resources of the Group.
Subscription price	: HK\$34.13 (mark-to-market value on 27 July 2017)
Historical rate of return	: 14.0% per annum in 2016
Investment policy of the Fund	: The Fund invests primarily and at any time at least two-thirds of its assets in high yielding bonds of issuers located throughout the world, including U.S. issuers and issuers in emerging-market countries. The Fund intends to allocate assets among high-yield non-investment grade corporate bonds in the U.S., non-investment grade debt securities of issuers located in emerging-market countries as well as sovereign debt issued by emerging market countries. It may invest in investment grade securities if such securities possess desirable yield and/or total return characteristics. The Fund will not invest more than 20% of its total assets in one country except for U.S. issuers. Holdings may include debt-securities with a range of maturities, from short-term to long-term bonds. The Fund anticipates that a substantial portion of its assets may be denominated in currencies other than the US dollar.
Investment return	: Aims to declare and pay monthly or be reinvested as elected by investor
Dividend policy	: Cash dividend is usually distributed on a monthly basis
Initial subscription fee	: 1.1% of the subscription amount
Charges	: An one-off initial subscription fee of 1.1% and an ongoing charge of 1.7% per annum

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

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

The Company has been seeking capital appreciation opportunities with a view to enhance the application of its surplus fund and maximize the return to Shareholders. As disclosed in the announcement the Company dated 14 June 2017, the Subscriber has subscribed Allianz US High Yield Share at Class AM (HKD), a sub-fund of Allianz Global Investors Fund, at an aggregate subscription amount of HK\$20,000,000. The Directors considered that the Subscription by using the Company's surplus fund are in line with its treasury policies and

can also offer a better return to the Group. The Directors consider that the Subscription is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Subscription exceed 5% but is less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and is subject to the reporting and announcement requirements thereunder.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“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 the GEM of the Stock Exchange (Stock Code: 8300)
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Fund”	AB — Global High Yield Portfolio (AT HKD), a portfolio of AB FCP I, a mutual investment fund domiciled in Luxembourg
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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 People’s Republic of China
“Independent Third Party”	third party which is independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	Palace Corporation Ltd, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Fund by the Subscriber
“U.S.”	the United States of America

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

Hong Kong, 28 July 2017

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. Cheng Wing Hong and Mr. Cai Chun Fai.

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 Company Announcements” page of the GEM website at 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.