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Royal Catering Group Holdings Company Limited

皇璽餐飲集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8300)

FURTHER SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcements (the “**Announcements**”) of the Company dated 13 December 2017 (the “**Announcement**”) and 28 December 2017 (the “**Supplemental Announcement**”), respectively, in relation to the Placing Agreement entered into between the Company and the Placing Agent on 13 December 2017.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Group would like to provide the following additional information in relation to the Placing:

- (1) According to the latest available management accounts of the Group, as at 30 November 2017, the Total Cash, which amounted to approximately HK\$121.6 million, comprised (i) cash and cash equivalent of approximately HK\$75.6 million; (ii) pledged fixed deposits of approximately HK\$7.5 million; and (iii) investments in funds of approximately HK\$38.5 million.

As at 30 November 2017, the Group’s estimated free cash of approximately HK\$24.5 million was calculated after deducting from the Total Cash (i) the unused IPO Proceeds of approximately HK\$37.8 million; (ii) the pledged fixed deposits to provide guarantee for the performance bond in respect of the Group’s shops at the Hong Kong International Airport of approximately HK\$7.5 million; (iii) working capital for the Group’s existing catering business of approximately HK\$26.8 million; and (iv) the proceeds from the Previous Placing of approximately HK\$25 million for a potential acquisition.

- (2) In relation to the Intended Acquisition, the Group is in the progress of identifying a suitable property. Currently, the Group expects to identify a suitable property within the forthcoming 2 to 4 months. Subject to the volatile property market conditions and the availability of the suitable property, upon identification of the suitable property the Group will commence negotiation with the potential vendor immediately on the amount of consideration and completion timeline. Such negotiation may take several weeks to

finalise, depending on the cooperation of the vendor and the size of the transaction. However, the Group cannot negate the possibility of prolonged negotiation if there are other potential purchasers making offers to purchase that property. In such case, the negotiation may take up to 2 months to finalise. The Group will enter into a preliminary sale and purchase agreement and pay the initial deposits once the negotiation is finalised and the Shareholders' approval (where necessary) is obtained. The Group will then engage legal advisers to (i) prepare a formal sale and purchase agreement, which involves negotiations of the terms with the vendor's legal advisers; and (ii) check title of the property. At the same time, the Group will arrange mortgage with a reputable financial institution in Hong Kong. The finalisation of the formal sale and purchase agreement may take up to 3 to 4 months, depending on the outcome of the title check and negotiation. Completion of the Intended Acquisition is expected to take place within 1 to 2 months from the signing of the formal sale and purchase agreement, which is in line with ordinary market practice.

- (3) In relation to the opening of DHY restaurants, the Group has been in proactive negotiations with the potential landlords of different shopping malls in respect of the locations of available shops in those shopping malls, the amount of monthly rental and the timeline for vacant possession. Once the negotiations are finalised, the Group will execute rental agreements with the respective landlords and pay the rental deposits. The commencement date of the respective leases will depend on when the existing tenants return vacant possession to the landlords. Based on the negotiations with the potential landlords and the Company's current intention and projection, the Group expects to open (i) two DHY restaurants by June 2018; (ii) one DHY restaurant by September 2018; and (iii) two DHY restaurants by December 2018. However, the Group cannot negate the possibility of the existing tenants delaying the return of vacant possession to the landlords, which may in turn prolong the opening schedule of DHY restaurants.

The above additional information does not affect any other information contained in the Announcement.

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

Hong Kong, 29 December 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.