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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE FORMATION OF A JOINT VENTURE AND PURCHASE TRANSACTIONS

The Board is pleased to announce that on 26 March 2018 (after trading hours), Rich Pond Limited (“**Rich Pond**”), a wholly-owned subsidiary of the Company, and FLM Food entered into the MOU in respect of the possible formation of the Joint Venture and purchase of Licensed Products. Rich Pond and FLM Food will form the Joint Venture for the purpose of carrying out catering business under the Brand in the Territory, i.e., Hong Kong, Macau and the PRC. Rich Pond will purchase the Licensed Products during the tenure of the Definitive Agreements for sale at the outlets controlled by Rich Pond, and/or the outlets operated by the Joint Venture to be established by Rich Pond and FLM Food.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, FLM Food and its ultimate beneficial owner are Independent Third Parties.

The Definitive Agreements may or may not be entered into, and even the Definitive Agreements are entered into, the Possible Transactions are conditional upon the fulfillment of certain conditions as set out in paragraph “Conditions precedent” below. The Possible Transactions therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

THE MOU

The Board is pleased to announce that on 26 March 2018 (after trading hours), Rich Pond and FLM Food entered into the MOU in respect of the Possible Transactions.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, FLM Food and its ultimate beneficial owners are Independent Third Parties.

The Possible Transactions

Rich Pond and FLM Food will enter into Definitive Agreements for the purpose of the Possible Transactions, which (i) Rich Pond and FLM Food will form a joint venture for the purpose of carrying out catering business under the Brand up to twenty (20) outlets in the Territory (the “**Joint Venture**”), and (ii) Rich Pond will purchase the Licensed Products (as defined below) during the tenure of the Definitive Agreements for sale at the outlets controlled by Rich Pond, and/or the outlets operated by the Joint Venture to be established by Rich Pond and FLM Food.

Rich Pond and FLM Food will explore the feasibility and possibility to form a formal business cooperation agreement in relation to the Possible Transactions within six (6) months of the execution of the MOU.

Licence

FLM Restaurant and FLM F&B have granted an exclusive right to FLM Food to sell, distribute, and market various pre-packaged food products in the general retail markets in Hong Kong and Macau under the brand, trademark and/or franchised name “Fook Lam Moon Fine Foods” or “福臨門尚品” (collectively, the “**Licensed Products**”) and further, FLM Food has been granted the right to operate and manage food outlets under the Brand as franchise stores.

Definitive Agreements

The Parties’ obligation to close the Possible Transactions is subject to the negotiation and execution of the Definitive Agreements, which shall be in a form that is acceptable to the Company and FLM Food and shall contain customary terms and conditions for similar transactions.

Due diligence

During the Exclusivity Period, Rich Pond shall be entitled to conduct due diligence, for the purpose of assisting the discussion and negotiation of the terms in respect of the Definitive Agreements.

Conditions precedent

Rich Pond’s and FLM Food’s obligation to consummate the transactions contemplated by the Definitive Agreements shall be subject to satisfaction of conditions precedent, including the following:

1. Rich Pond and FLM Food shall have completed due diligence in form and substance satisfactory to it;
2. all necessary approvals, consents and authorizations required to be obtained on the part of Rich Pond in relation the Possible Transactions and payment of consideration having been obtained (including approval of the Stock Exchange, if required);

3. the Definitive Agreements and the transactions contemplated thereunder have been approved by the directors and shareholders of Rich Pond in accordance with the requirements of the GEM Listing Rules; and
4. all representations and warranties of FLM Food shall be true and correct in all material respects.

Exclusivity

Rich Pond agrees that during the Exclusivity Period, Rich Pond shall not contact, negotiate or enter into any agreement with any party other than FLM Food on, in relation to or in connected with the Possible Transactions or any other transaction resembling the Possible Transaction, and vice versa.

Non-legally binding effect

Save for the terms in relation to exclusivity, confidentiality, costs, governing law and jurisdiction and declaration of independence, the MOU is not legally binding or enforceable. **As such, the Possible Transactions may or may not proceed.**

REASONS AND BENEFITS FOR THE POSSIBLE TRANSACTIONS

Rich Pond and the Company are principally engaged in investment holding. The Group is principally engaged in the provision of casual dining food catering services in Hong Kong. The Directors are of the view that the terms of the MOU are fair and reasonable and the Possible Transactions, if materialised, could benefit the Group by diversifying its existing business which is expected to increase the Shareholders' value. Therefore, the Directors are of the view that the entering into the MOU and the consummation of the Possible Transactions are in the best interests of the Company and the Shareholders as a whole.

GENERAL

The Definitive Agreements may or may not be entered into, and even the Definitive Agreements are entered into, the Possible Transactions are conditional upon the fulfillment of certain conditions as set out in paragraph "Conditions precedent" above. The Possible Transactions therefore may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Board”	the board of directors of the Company
“Brand”	the brand name of “福廚房”
“Company”	Royal Catering Group Holdings Company Limited (皇爾餐飲集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and whose shares are listed on GEM of the Stock Exchange (Stock Code: 8300)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Definitive Agreements”	the definitive documentations for the Possible Transactions and other transactions contemplated by this MOU
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	the period commencing on the date of execution of the MOU and ending on the earlier of (a) six (6) months following the date of execution of this MOU or such later date Rich Pond and FLM Food may otherwise agree in writing and (b) the date of execution of the Definitive Agreements
“FLM F&B”	Fook Lam Moon F&B Management Limited (福臨門餐飲管理有限公司), a company incorporated under the laws of Hong Kong
“FLM Food”	FLM Food & Dining Management Limited (福尚品餐飲管理有限公司), a company incorporated under the laws of Hong Kong
“FLM Restaurant”	Fook Lam Moon Restaurant Limited (福臨門酒家有限公司), a company incorporated under the laws of Hong Kong
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of and not connected with the Company and its connected persons and otherwise not a connected person of the Company

“Macau”	the Macau Special Administrative Region of the PRC
“MOU”	the Memorandum of Understanding dated 26 March 2018 entered into between Rich Pond and FLM Food in relation to the Possible Transactions
“Possible Transactions”	the transactions contemplated under the MOU
“PRC”	People’s Republic of China
“Rich Pond”	Rich Pond Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Territory”	Hong Kong, Macau and the PRC
“%”	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, 26 March 2018

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.