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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)

SUPPLEMENTAL ANNOUNCEMENT PROFIT WARNING

This announcement is made by Royal Catering Group Holdings Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s profit warning announcement dated 3 February 2020 (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise. The Board wishes to further inform the shareholders and potential investors of the Company that based on the preliminary estimates of the unaudited consolidated management accounts of the Group, the Group expects increase in loss attributable to the owners of the Company for the nine months ended 31 December 2019 as compared to the corresponding period in 2018, the details of which are supplemented as below:

The Group is expected to record a loss attributable to the owners of the Company within a range of HK\$20.5 million to HK\$23.5 million for the nine-month ended 31 December 2019, as compared to a loss attributable to the owners of the Company of approximately HK\$9.8 million for the same period of 2018.

The expected loss was primarily attributable to (i) a significant drop in revenue of the Group to approximately HK\$58.4 million for the nine-month period ended 31 December 2019 from approximately HK\$72.2 million for the nine-month period ended 31 December 2018, representing a decrease of approximately 19.1%, which is mainly due to the closure of four restaurants during and subsequent to the nine-month period ended 31 December 2018 (the “**Expired Restaurants**”) and the negative impacts due to recent protests in Hong Kong arising from the anti-extradition bill protests since June 2019 to our existing restaurants; (ii) increase in staff costs of the Group to approximately HK\$27.6 million for the nine-month period ended 31 December 2019 from approximately HK\$23.2 million for the nine-month period ended 31 December 2018, representing an increase of approximately 19.0%, which is mainly due to the commencement of certain new restaurants in the urban area of Hong Kong, and the effect was partially offset by the closure of the Expired Restaurants; and (iii) decrease in other income and other revenue to approximately HK\$2.3

million for the nine-month period ended 31 December 2019 from approximately HK\$3.2 million for the nine-month period ended 31 December 2018, representing a decrease of approximately 28.1%, which is mainly due to decrease in dividend income as a result of the redemption of investment funds in May 2019, and the effect was partially offset by the gain on the disposal of the trademarks “*Taiwan Beef Noodle (台灣牛肉麵)*” and “*Chinese Kitchen (中國廚房)*” in Hong Kong (excluding the ownership and right to use of such trademarks at the Hong Kong International Airport).

The Directors consider that the uncertainty caused by the anti-extradition bill protests since June 2019 and the outbreak of Wuhan pneumonia in Hong Kong started in January 2020 would continue to affect Hong Kong’s economy as a whole, as well as the Group’s financial performance. The Group shall thus remain conservative and prudent towards its profitability in the coming months.

The information contained in this announcement is only a preliminary assessment by the management of the Company which is based on the operational data available to the management as well as consolidated management accounts which have not been reviewed or audited by the Company’s auditors. Shareholders and potential investors of the Company are advised to refer to the details set out in the quarterly results announcement of the Company for the nine-month period ended 31 December 2019, which is expected to be published on 10 February 2020.

Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 6 February 2020

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. Ng Sai Cheong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 for at least seven days from the date of its posting. This announcement will also be published on the Company’s website at www.hkrcg.com.