

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

ROYAL GROUP HOLDINGS INTERNATIONAL COMPANY LIMITED

皇璽集團控股國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8300)

DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE MASTER AGREEMENT

THE TRANSACTIONS

On 25 September 2023, Simple Future, WSK Alliance, Rex Top and Fastastic F&B entered into the Master Agreement in relation to, among other things, the provision of the Kitchen Operation and Cleaning Services and the supply of the Products by the Rex Top Group to certain restaurants operated by Simple Future and WSK Alliance under the Brand.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules is more than 5% and below 25%, the Transactions constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Since (i) Mr. Lai is a substantial shareholder and a director of WSK Alliance (being a subsidiary of the Company); and (ii) the entire issued share capital of Rex Top is owned by Mr. Lai, Rex Top is a connected person of the Company, and the Transactions constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules. Given that (i) the total consideration for the Transactions is less than HK\$10 million; (ii) the Board has approved the Master Agreement and the Transactions; and (iii) the independent non-executive Directors have confirmed that the terms of the Transactions are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Master Agreement and the Transactions are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rules 20.74(2) and 20.99 of the GEM Listing Rules.

THE MASTER AGREEMENT

On 25 September 2023, Simple Future, WSK Alliance, Rex Top and Fastastic F&B entered into the Master Agreement in relation to, among other things, the provision of the Kitchen Operation and Cleaning Services and the supply of the Products by the Rex Top Group to certain restaurants operated by Simple Future and WSK Alliance under the Brand.

The principal terms of the Master Agreement are set out below:

Date : 25 September 2023

Parties : (1) Simple Future;
(2) WSK Alliance;
(3) Rex Top; and
(4) Fastastic F&B.

Provision of the Kitchen Operation and Cleaning Services : Rex Top shall provide, or shall procure its associates to provide, the Kitchen Operation and Cleaning Services to the Central Restaurant and such other restaurants and food outlets under the Brand as Simple Future, WSK Alliance and Rex Top may agree from time to time. The scope of the Kitchen Operation and Cleaning Services includes but not limited to the following:

1. Manage the food and beverage processing and production.
2. Supervise and control the technical skills applied, quality, sanitation and safety in the course of the food and beverage processing and production.
3. Ensure only food and beverage required by Simple Future and WSK Alliance is processed and produced.
4. Comply with all instructions given by Simple Future and WSK Alliance regarding the food and beverage processing and production.

5. Handle the cleaning works including but not limited to kitchens, restrooms and restaurant dining areas.
6. Handle the cleaning works of all utensils, facilities and equipment.
7. Such other incidental and related services which Simple Future, WSK Alliance and Rex Top may agree from time to time.

Supply of the Products : Rex Top shall supply, or procure its associates to supply, the Products to the Restaurants.

Term : Commencing from the date of the Master Agreement and expiring on 31 March 2026 (or such other date as the parties thereto may agree in writing) unless terminated earlier in accordance with the Master Agreement or by agreement in writing between the parties thereto.

Either party may terminate the Master Agreement by giving the other parties at least one month's written notice of termination.

Kitchen Operation and Cleaning Fees : The Kitchen Operation and Cleaning Fees are payable in the sum of HK\$142,000 per restaurant on a monthly basis.

Purchase Price : The Purchase Price shall be no less favourable than the purchase price for the supply of the Products by the Rex Top Group to any member of the Rex Top Group or any third party. The Purchase Price shall be payable on a monthly basis.

Having considered (1) the Kitchen Operation and Cleaning Fees payable by the Group are fixed; and (2) the Purchase Price shall be no less favourable than the purchase price for the supply of the Products by the Rex Top Group to any member of the Rex Top Group or any third party, the Directors are of the view that such pricing policies are fair and reasonable.

HISTORICAL TRANSACTION AMOUNTS

The historical amount paid by the Group to the Rex Top Group for kitchen operation and cleaning services regarding the Restaurants in respect of the period from 1 July 2023 to 31 August 2023 was approximately HK\$0.3 million, which falls below the de minimis threshold under Rule 20.74(1) of the GEM Listing Rules.

The historical amount paid by the Group to the Rex Top Group for the purchase of the Products regarding the Restaurants in respect of the period from 1 July 2023 to 31 August 2023 was approximately HK\$0.3 million, which falls below the de minimis threshold under Rule 20.74(1) of the GEM Listing Rules.

ANNUAL CAPS

The continuing connected transactions under the Master Agreement are subject to the Annual Caps as set forth below:

	Kitchen Operation and Cleaning Fee Caps	Purchase Price Caps
For the year ending 31 March 2024	HK\$4.8 million	HK\$3.2 million
For the year ending 31 March 2025	HK\$7.2 million	HK\$6.0 million
For the year ending 31 March 2026	HK\$7.2 million	HK\$7.2 million

In determining the Kitchen Operation and Cleaning Fee Caps with respect to the Kitchen Operation and Cleaning Fees, the Company has taken into account and made reference to historical amounts in respect of kitchen operation and cleaning services provided by the Rex Top Group, the rate of the Kitchen Operation and Cleaning Fees to be charged by the Rex Top Group and the business plan of the Group with respect to the number of Restaurants.

In determining the Purchase Price Caps with respect to the Purchase Price, the Company has taken into account and made reference to historical amounts in respect of purchase of the Products, the expected demand for the Products and the business plan of the Group with respect to the number of Restaurants.

REASONS FOR AND BENEFITS OF THE MASTER AGREEMENT

The Group is a food and beverage group in Hong Kong operating casual dining restaurants under a portfolio of brands including the Brand. The entering into of the Master Agreement enables the Group to leverage on the experience, network and resources of the Rex Top Group in the operation and development of the business under the Brand. The engagement of the Kitchen Operation and Cleaning Services and the supply of the Products under the

Master Agreement will enable the Group to devote and allocate human and other resources to the expansion and development of other restaurants of the Group. At the same time, the Group can focus on the overall management of the Restaurants.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the view that (i) the Transactions are carried out in the ordinary and usual course of business of the Group; (ii) the terms of the Master Agreement are fair and reasonable; (iii) the Transactions are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole; and (iv) the Annual Caps are fair and reasonable.

As none of the Directors have a material interest in the transactions contemplated under the Master Agreement, none of the Directors have abstained from voting on the relevant Board resolutions.

INFORMATION ON THE PARTIES

The Group

The Group is a food and beverage group in Hong Kong operating casual dining restaurants under a portfolio of brands including the Brand. The Group is also engaged in the business of trading luxury branded watches in Hong Kong.

Simple Future

Simple Future is a limited liability company incorporated in the British Virgin Islands and is a direct wholly owned subsidiary of the Company. The principal activity of Simple Future is investment holding.

WSK Alliance

WSK Alliance is a limited liability company incorporated in Hong Kong. As at the date of this announcement, the issued share capital of WSK Alliance was owned as to (i) 60% indirectly by the Company; (ii) 30% directly by Rex Top; and (iii) 10% directly by Fastastic F&B. WSK Alliance is principally engaged in the operation of restaurants and food outlets under the Brand in Hong Kong.

Rex Top

Rex Top is a limited liability company incorporated in Hong Kong. Rex Top is wholly-owned by Mr. Lai, who is also a director of WSK Alliance. Mr. Lai is a merchant. The Rex Top Group is principally engaged in, among other things, the provision of management and cleaning services, trading of food and other operating items to restaurant operations in Hong Kong.

Fastastic F&B

Fastastic F&B is a limited liability company incorporated in Hong Kong. The Fastastic F&B is principally engaged in, among other things, the provision of brand development and promotion services to restaurant operations in Hong Kong.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules is more than 5% and below 25%, the Transactions constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Since (i) Mr. Lai is a substantial shareholder and a director of WSK Alliance (being a subsidiary of the Company); and (ii) the entire issued share capital of Rex Top is owned by Mr. Lai, Rex Top is a connected person of the Company, and the Transactions constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules. Given that (i) the total consideration for the Transactions is less than HK\$10 million; (ii) the Board has approved the Master Agreement and the Transactions; and (iii) the independent non-executive Directors have confirmed that the terms of the Transactions are fair and reasonable, on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, the Master Agreement and the Transactions are subject to the reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Rules 20.74(2) and 20.99 of the GEM Listing Rules.

DEFINITIONS

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

“Annual Caps”	the Kitchen Operation and Cleaning Fee Caps and the Purchase Price Caps.
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules.
“Board”	the board of Directors of the Company.
“Brand”	the catering brand “和順記神級雞髀皇”.
“Central Restaurant”	the restaurant and food outlet established, managed and/or operated by the Group under the Brand in Central.
“Company”	Royal Group Holdings International Company Limited (皇璽集團控股國際有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8300).
“connected person”	has the meaning ascribed to it under the GEM Listing Rules.
“Director(s)”	director(s) of the Company.
“Fastastic F&B”	Fastastic F&B Management Limited (饗樂(餐飲管理)有限公司), a limited liability company incorporated in Hong Kong and being a 10% shareholder of WSK Alliance.
“GEM”	GEM 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.

“Kitchen Operation and Cleaning Fee Caps”	the maximum aggregate annual Kitchen Operation and Cleaning Fees to be paid by the Group under the Master Agreement.
“Kitchen Operation and Cleaning Fees”	the kitchen operation and cleaning fees payable by the Group under the Master Agreement.
“Kitchen Operation and Cleaning Services”	kitchen operation and cleaning services to be provided by the Rex Top Group to the Group regarding the day-to-day running and operation of the Restaurants under the Master Agreement.
“Master Agreement”	the master agreement dated 25 September 2023 entered into between Simple Future, WSK Alliance, Rex Top and Fastastic F&B in relation to, among other things, the provision of the Kitchen Operation and Cleaning Services and the supply of the Products by Rex Top to certain restaurants operated by Simple Future and WSK Alliance under the Brand.
“Mr. Lai”	Mr. Lai Chun Ho (黎俊豪), the sole director and sole shareholder of Rex Top and a director of WSK Alliance.
“Products”	food ingredients, food products, beverages, utensils and other ancillary equipment regarding the day-to-day running and operation of the Restaurants.
“Purchase Price”	the purchase price of the Products supplied by the Rex Top Group to the Group.
“Purchase Price Caps”	the maximum aggregate annual Purchase Price to be paid by the Group under the Master Agreement.
“Restaurants”	collectively, three restaurants and food outlets established, managed and/or operated by the Group under the Brand in Mongkok, Causeway Bay and Central, and such other restaurants and food outlets as Simple Future, WSK Alliance, Rex Top and Fastastic F&B may agree from time to time.

“Rex Top”	Rex Top Company Limited, a limited liability company incorporated in Hong Kong, being a 30% shareholder of WSK Alliance, whose sole shareholder and sole director is Mr. Lai as at the date of this announcement.
“Rex Top Group”	Rex Top and its associates.
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company.
“Shareholder(s)”	holder(s) of the Share(s).
“Simple Future”	Simple Future Investment Ltd., a limited liability company incorporated in the British Virgin Islands and being a direct wholly-owned subsidiary of the Company.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“substantial shareholder”	has the meaning ascribed thereto under the GEM Listing Rules.
“Transactions”	the transactions contemplated under the Master Agreement.
“WSK Alliance”	Wo Shun Kee Alliance Limited (和順記聯盟有限公司), a limited liability company incorporated in Hong Kong, being an indirect subsidiary of the Company. As at the date of this announcement, the issued share capital of WSK Alliance was owned as to (i) 60% indirectly by the Company; (ii) 30% directly by Rex Top; and (iii) 10% directly by Fastastic F&B.
“%”	per cent.

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

Hong Kong, 25 September 2023

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 Stock Exchange’s website at www.hkexnews.hk for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at www.hkrcg.com.