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## **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)**

### **SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE MASTER AGREEMENT**

Reference is made to the announcement of Royal Group Holdings International Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 25 September 2023 in relation to the Master Agreement (the “**Announcement**”). Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to provide supplemental information in relation to the Master Agreement.

#### **INFORMATION ON THE PARTIES**

##### **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. Rex Top is the franchisor of the Brand. 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. Fastastic F&B is wholly-owned by Mr. Mak Chung Hong, who is also a director of WSK Alliance. Mr. Mak is a merchant. Fastastic F&B is principally engaged in, among other things, the provision of brand development and promotion services to restaurant operations in Hong Kong.

## **ANNUAL CAPS**

The Group first commenced operating restaurants under the Brand in July 2023. As of the date of this announcement, the Group operates two restaurants under the Brand. Considering the positive views towards the Group's existing restaurants under the Brand, it is the Board's current plan to gradually expand the number of restaurants under the Brand. Based on the information currently available to the Board, the Company expects to operate four, five and six restaurants under the Brand for the years ending 31 March 2024, 2025 and 2026, respectively.

### **Kitchen Operation and Cleaning Services**

The Group has the following pricing policy and internal controls to ensure that the Kitchen Operation and Cleaning Fees shall be fair and reasonable: (i) quotations or benchmark against the expenses for similar kitchen operation and cleaning services incurred in the Company's past and current restaurants with comparable scale of operation are required to be presented to the Board for consideration; (ii) the monthly Kitchen Operation and Cleaning Fees were approved by the Board; and (iii) the restaurant managers would, with reference to the actual operation of the relevant restaurants, regularly monitor the adequacy of the Kitchen Operation and Cleaning Services provided by the Rex Top Group against the Kitchen Operation and Cleaning Fees charged and report to the Board.

The Company determined the Kitchen Operation and Cleaning Fee Caps based on the number of months in the financial year, the monthly Kitchen Operation and Cleaning Fees and the expected number of Restaurants. Based on the discussion between the Company and Rex Top leading to the Master Agreement, it is the mutual understanding between the Company and Rex Top that Rex Top, having considered its capacity, expects to provide the Kitchen Operation and Cleaning Services to four Restaurants for the years ending 31 March 2024, 2025 and 2026. Having considered (i) the monthly Kitchen Operation and Cleaning Fees is comparable to the expenses for similar kitchen operation and cleaning services incurred in the Company's past and current restaurants with comparable scale of operation; (ii) the historical average of the kitchen operation and cleaning fees per restaurant under the Brand per month for the period from 1 July 2023 to 31 August 2023 (i.e. since commencement) was comparable to the monthly Kitchen Operation and Cleaning Fees per restaurant for which the Kitchen Operation and Cleaning Fee Caps were based on; (iii) the Kitchen Operation and Cleaning Fee Caps covered an adequate number of restaurants as compared to the total expected restaurants under the Brand; and (iv) the engagement of the Kitchen Operation and Cleaning Services will enable the Group to devote and allocate human and other resources to focus on the overall management of the Restaurants, the Directors are of the view that the Kitchen Operation and Cleaning Fee Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## Supply of Products

The Group has the following pricing policy and internal controls to ensure that the Products purchase price shall be fair and reasonable: (i) quotations for similar products (e.g. chicken legs) is required to be presented to the Board for consideration; (ii) the restaurant managers would, with reference to the actual demand at the Restaurants, regularly monitor the quality and prices of the Products supplied by the Rex Top Group and report to the Board; and (iii) the monthly financial performance and analysis of each Restaurant would be reported to the Board.

The Company determined the Purchase Price Caps based on the number of months in the financial year, the expected demand for the Products (i.e. in turn, monthly purchase amount) and the business plan of the Group with respect to the expected number of Restaurants as disclosed above. In estimating the monthly purchase amount, the Directors made reference to the forecasted monthly revenue per Restaurant. Having considered (i) the purchase of the Products (which primarily include chicken legs and special seasonings for the Brand's signature dishes) from Rex Top as the franchisor is essential for maintaining the Brand and can ensure the quality and features of the raw materials for the Restaurants' signature dishes; (ii) the historical average of the purchase of Products per restaurant under the Brand per month for the period from 1 July 2023 to 31 August 2023 (i.e. since commencement) was comparable to the expected purchase of Products per month per restaurant for which the Purchase Price Caps were based on; (iii) the ratio of estimated monthly purchase amount per Restaurant to the forecasted monthly revenue per Restaurant; and (iv) the engagement of the supply of the Products will enable the Group to devote and allocate human and other resources to focus on the overall management of the Restaurants, the Directors are of the view that the Purchase Price Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Save as disclosed in this announcement, all other information set out in the Announcement remain unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 29 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.*

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