

**ROYAL CATERING GROUP HOLDINGS COMPANY LTD:  
LISTING EXPENSES HAVE SHAVED DOWN  
THE COMPANY'S BOTTOM LINE**

The flotation of Royal Catering Group Holdings Company Ltd () (Code: 8300, The Growth Enterprise Market [the **GEM**] of The Stock Exchange of Hongkong Ltd) marked the second, restaurant-owning company to come to the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), thus far this year, in order to top up its coffers with some interest-free money.

Both of the GEM listings had patchy financials, with their 2016 Financial Years, recording a marked reduction in their Bottom Lines, vis-à-vis their respective 2015-Years.

Royal Catering issued its Placing Prospectus on August 1, 2016, with trading in its shares, having commenced on August 8, 2016.

This Company Placed a total of 500 million, one-cent Shares at 15 cents per Share, netting about \$HK47 million.

The Company's announcement, made on August 5, 2016, with regard to the Allotment Results of the Placing of the 500 million Shares, stated that the net proceeds would be utilised as follows:

1. Approximately, 74.50 percent, that is about \$HK35 million, *'for opening of new restaurants among which (i) approximately 12.6% of the net proceeds, or approximately HK\$5.9 million will be applied for the opening of a new franchised restaurant under third party's brand through franchising or other cooperation arrangement at the Hong Kong International Airport; (ii) approximately 12.6% of the net proceeds, or approximately HK\$5.9 million will be applied for the opening of a new restaurant under our self-owned brand at the Hong Kong International Airport; (iii) approximately 22.5% of the net proceeds, or approximately HK\$10.6 million will be applied for the opening of two new restaurants under our self-owned brand "Taiwan Beef Noodle ()" in the urban area of Hong Kong; and (iv) approximately 26.8% of the net proceeds, or approximately HK\$12.6 million will be applied for the opening of two new restaurants under our self-owned brand "Taiwan Beef Noodle ()" in the PRC';*
2. Approximately, 17.70 percent, that is about \$HK8.30 million, *'for renovation of our restaurants operating at the Hong Kong International Airport';*
3. Approximately, 4.00 percent, that is about \$HK1.90 million, *'for recruitment and staff training';*
4. Approximately, 2.30 percent, that is about \$HK1.10 million, *'for upgrading existing restaurant facilities and systems';* and,
5. Approximately, 1.50 percent, that is about \$HK0.70 million, *'for marketing activities to promote brand awareness.'*

Royal Catering Group Holdings Company Ltd is in the business of operating restaurants, mainly in the HKSAR, with emphasis on restaurant operations in The Hongkong International Airport.

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