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Royal Century Resources Holdings Limited
仁德資源控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 8125)

DISCLOSEABLE TRANSACTION
IN RELATION TO THE PURCHASE OF SCAFFOLDING EQUIPMENT

THE SECOND PURCHASING ORDER

Reference is made to the Previous Announcement. The Board announces that on 18 December 2018 (after trading hours), Royal Century Construction has placed the Second Purchasing Order with Ho Hon Systems pursuant to the Master Agreement for purchase of scaffolding equipment in the amount of HK\$15,952,319, which was accepted by Ho Hon Systems.

LISTING RULES IMPLICATIONS

As the highest relevant percentage ratio (as defined under the GEM Listing Rules) in respect of the Second Purchasing Order exceeds 5% but less than 25%, the Second Purchasing Order constitutes a discloseable transaction on the part of the Company which is subject to announcement requirement. As it is expected that the First Purchasing Order (which did not constitute a discloseable transaction as disclosed in the Previous Announcement) and the Second Purchasing Order will be completed within 12 months period, if the First Purchasing Order and the Second Purchasing Order are to be aggregated and treated as if they were one transaction under Rules 19.22 and 19.23 of the GEM Listing Rules, the highest applicable percentage ratio would exceed 5% but less than 25%, and constitute a discloseable transaction of the Company which is subject to announcement requirement.

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The Second Purchasing Order

Principal terms of the Second Purchasing Order are summarized as follows:–

Date: 18 December 2018

Parties: Royal Century Construction, an indirect wholly-owned subsidiary of the Company, as purchaser; and

Ho Hon Systems as supplier

Ho Hon Systems is a company incorporated in Hong Kong with limited liability and principally engaged in provision of construction engineering, mould plank, design engineering, and construction related structural scaffolding equipment services. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Ho Hon Systems and its ultimate beneficial owners are Independent Third Parties.

Asset acquired

Pursuant to the Second Purchasing Order, Royal Century Construction has ordered from Ho Hon Systems various components of scaffolding equipment with specifications setting out in the Second Purchasing Order. The scaffolding equipment will be leased by Royal Century Construction to construction companies for use in construction projects in its ordinary course of business.

Consideration

The total consideration for the Second Purchasing Order is HK\$15,952,319, which is payable in cash by Royal Century Construction to Ho Hon Systems in accordance with the delivery schedule and payment terms below.

The Consideration was arrived at after arm's length negotiation between Royal Century Construction and Ho Hon Systems and was determined by the prevailing market value of scaffolding equipment obtained by comparing quotations provided by various suppliers of scaffolding equipment.

In view of the market condition and the operation needs of the Company in respect of the leasing of scaffolding equipment business, the Company decided to purchase scaffolding equipment in the amount of HK\$15,952,319 in the Second Purchasing Order, which is slightly more than the amount anticipated under the Master Agreement. The Company will utilise the proceeds from the Placing and other internal resources to finance the purchase of the scaffolding equipment.

Delivery date

For better warehousing management of the Group, the scaffolding equipment shall be delivered by Ho Hon Systems to the warehouse of Royal Century Construction in Hong Kong by batches. Parties agreed that the first batch of the scaffolding equipment ordered under the Second Purchasing Order in the value of HK\$4,995,046 shall be delivered to the warehouse of Royal Century Construction in Hong Kong on or before 21 January 2019.

Royal Century Construction shall give Ho Hon Systems written notice(s) in advance (“**Delivery Notice(s)**”) for the delivery of the remaining scaffolding equipment ordered under the Second Purchasing Order and Ho Hon Systems shall deliver the relevant scaffolding equipment as specified in the Delivery Notice(s) to the warehouse of Royal Century Construction in Hong Kong within 30 to 45 days upon receipt of the relevant Delivery Notice, provided that all the scaffolding equipment ordered under the Second Purchasing Order shall be delivered on or before 31 July 2019.

Payment terms

Royal Century Construction shall pay the relevant part of the Consideration to Ho Hon Systems against each batch of delivery. Approximately 30% of the total amount of the scaffolding equipment of each batch shall be paid upon the issue of a Delivery Notice, and the balance of the relevant Consideration shall be paid by Royal Century Construction to Ho Hon Systems after the relevant delivery.

REASONS AND THE BENEFITS OF ENTERING INTO THE MASTER AGREEMENT

The Company is a Hong Kong-based investment holding company. The Group is principally engaged in the provision of design and fitting-out services, provision of design and procurement of furnishings and related products services, money lending, sourcing and merchandising of fine and rare wines, and securities and assets management business.

The scaffolding equipment purchased under the Second Purchasing Order will be leased by the Group to construction companies for use in construction projects. It is in the ordinary and usual course of business of the Company to lease the scaffolding equipment. As disclosed in the Previous Announcement, the leasing of construction equipment business is a natural expansion of and ancillary to the existing principal business of the Company, and is in line with the business development strategy of the Company, which shall enrich the business profile of the Company.

The Directors consider that the terms of the Second Purchasing Order are on normal commercial terms following arm's length negotiations between Royal Century Construction and Ho Hon Systems and the terms of the Second Purchasing Order are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Royal Century Resources Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8125)
“Director(s)”	the director(s) of the Company
“First Purchasing Order”	the purchasing order placed by Royal Century Construction with Ho Hon Systems on 12 August 2018 for purchase of scaffolding equipment

“GEM”	GEM as operated by 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
“Ho Hon Systems”	Ho Hon Systems Mould Plank Limited (浩瀚系統模板有限公司), a company incorporated in Hong Kong and an Independent Third Party
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Master Agreement”	the master agreement dated 29 November 2018 and entered into between Royal Century Construction and Ho Hons Systems in respect of the purchase of scaffolding equipment
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Placing”	the placing of 72,600,000 Shares under general mandate granted to the Directors by the Shareholders in the annual general meeting of the Company held on 7 September 2018, details of which were disclosed in the announcements of the Company dated 1 November 2018 and 26 November 2018
“Previous Announcement”	the announcement of the Company dated 29 November 2018 in relation to, among others, the entering into of the Master Agreement between Royal Century Construction and Ho Hon Systems
“Royal Century Construction”	Royal Century Construction Equipment Limited (仁德建築設備有限公司), a company incorporated in Hong Kong with limited liability and a direct/an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of the Company

“Shareholders”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Royal Century Resources Holdings Limited
Chan Chi Yuen
Chairman

Hong Kong, 18 December 2018

As at the date of this announcement, the executive Directors are Mr. Chan Chi Yuen (Chairman), Mr. Liu Rongsheng (Chief Executive Officer), Mr. Wang Jun and Mr. Zhang Weijie; the non-executive Director is Mr. Tsang Kei Cheong; and the independent non-executive Directors are Mr. Chan Chiu Hung Alex, Mr. Wu Zhao and Mr. Lam Cheok Va.

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 of Hong Kong Limited 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 GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.royalcentury.hk.