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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 ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL
OF THE TARGET COMPANY
AND THE SALE LOAN**

THE ACQUISITION

On 21 December 2018 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendors entered into the Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendors have agreed to sell the Sale Shares and the Sale Loan, at an aggregate Consideration of HK\$1,880,000.

As at the date of this announcement and immediately before Completion, the Target Company is owned as to 50% by the Vendor A and as to 50% by the Vendor B. Upon Completion, the Target Company has become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Group's accounts.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Agreement is more than 5% but less than 25%, the transactions contemplated under the Agreement constitute discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of GEM Listing Rules.

THE ACQUISITION

The Board is pleased to announce that on 21 December 2018 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendors entered into the Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendors have agreed to sell the Sale Shares and the Sale Loan, at an aggregate Consideration of HK\$1,880,000.

The terms of the Agreement are set out below:

The Agreement

Date: 21 December 2018

Parties:

- (1) Vendors: Mr. Wong Wai Ming and Ms. Wong Mei Ling
- (2) Purchaser: Royal Century Investment Group Limited, a direct wholly-owned subsidiary of the Company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors and their respective associates is an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has agreed to acquire and the Vendors have agreed to sell:

- (1) the Sale Shares, representing the entire issued share capital in the Target Company; and
- (2) the Sale Loan in the amount of HK\$5,438,015.14, being all obligations, liabilities and indebtedness owing or incurred by the Target Company to the Vendor A on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion.

Consideration

The aggregate Consideration for the Sale Shares and the Sale Loan is HK\$1,880,000, which shall be payable in cash and satisfied in the following manner or by any other manner as agreed by the Purchaser and the Vendors:

- (i) as to HK\$940,000 (being 50% of the total Consideration), payable by the Purchaser to the Vendor A in cash by way of cheque or cashier order drawn against a licenced bank in Hong Kong on Completion;
- (ii) as to HK\$470,000 (being 25% of the total Consideration), payable by the Purchaser to the Vendor B in cash by way of cheque or cashier order drawn against a licenced bank in Hong Kong on the first Business Day immediately upon expiry of a period of six months from the date of Completion; and
- (iii) the remaining HK\$470,000 (being 25% of the total Consideration), payable by the Purchaser to the Vendor B in cash by way of cheque or cashier order drawn against a licenced bank in Hong Kong on the first Business Day immediately upon expiry of a period of 18 months from the date of Completion.

The Consideration was determined through arm's length negotiations between the Purchaser and the Vendors and on a commercial basis with reference to (i) the future prospects of the Target Company; and (ii) the benefits to be derived by the Group from the Acquisition as described in the paragraph headed "Reasons for and the benefits of the Acquisition" below.

In view of the above, the Directors consider that the Consideration is fair and reasonable and the Agreement is on normal commercial terms and is fair and reasonable, and the entering into of the Agreement is in the interests of the Company and its Shareholders as a whole.

Completion

Completion has taken place simultaneously upon signing of the Agreement.

Upon Completion, the Target Company has become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the financial statements of the Company.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong on 22 July 1986, and is principally engaged in waterproofing works and maintenance business in Hong Kong. As at the date of this announcement and immediately before Completion, the Target Company was owned as to 50% by the Vendor A and as to 50% by the Vendor B.

Set out below is a summary of the audited financial information of the Target Company prepared in accordance with the Hong Kong Financial Reporting Standards for each of the two financial years ended 31 March 2017 and 2018 respectively:

	For the year ended 31 March 2017 <i>HK\$'000</i>	For the year ended 31 March 2018 <i>HK\$'000</i>
Revenue	1,601	482
Profit/(loss) before taxation	48	(233)
Profit/(loss) after taxation	48	(233)

The audited net liabilities of the Target Company as at 31 March 2018 was approximately HK\$5,352,000.

REASONS FOR AND THE BENEFITS OF THE ACQUISITION

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 financial services business. The Purchaser is a company incorporated in Hong Kong with limited liability and is directly wholly-owned by the Company. The principal activity of the Purchaser is investment holding.

Whilst the Group remains focused on developing its existing businesses, the Board is also actively exploring for other business opportunities in order to diversify its business which provide better returns for the Shareholders. The Group has been engaging in its design and fitting-out services and design and procurement of furnishings and related products services operation over the years. The purpose of the Acquisition is to further develop and expand the Group's building construction business. The Target Company is engaged in the waterproofing works and maintenance business in Hong Kong for over 7 years. The Company will be able to leverage on the Acquisition and further develop its business in waterproofing works and maintenance areas. The Board believes that the Acquisition would be beneficial to and in the interests of the Group.

As such, the Directors consider that the terms and conditions of the Agreement are on normal commercial terms, fair and reasonable and are in the interests of Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Agreement is more than 5% but less than 25%, the transactions contemplated under the Agreement constitute discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of GEM Listing Rules.

None of the Directors has a material interest in the Acquisition. As such, no Directors is required to abstain from voting on the resolutions approving the Acquisition at the meeting of the Board.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser from the Vendors pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 21 December 2018 and entered into among the Vendors and the Purchaser, in relation to the sale and purchase of the Sale Shares and the Sale Loan
“Board”	the board of the Directors

“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Royal Century Resources Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on GEM (stock code: 8125)
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan in accordance with the terms and conditions of the Agreement
“connected person(s)”	has the meaning ascribed to it in the the GEM Listing Rules
“Consideration”	HK\$1,880,000, being the consideration payable for the Acquisition
“Director(s)”	the director(s) of the Company
“GEM”	GEM 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
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Purchaser”	Royal Century Investment Group Limited (仁德投資集團有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Sale Loan”	HK\$5,438,015.14, being all obligations, liabilities and indebtedness owing or incurred by the Target Company to the Vendor A on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion
“Sale Shares”	100,000 shares in the issued share capital of the Target Company, representing the entire issued share capital in the Target Company
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	registered holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Vai Tak Building Works Company Limited (惠德行有限公司), a company incorporated in Hong Kong with limited liabilities, which immediately before Completion, was owned as to 50% by the Vendor A and as to 50% by the Vendor B
“Vendor A”	Mr. Wong Wai Ming (王偉明)
“Vendor B”	Ms. Wong Mei Ling (黃美玲)
“Vendors”	collectively the Vendor A and the Vendor B
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 21 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 the 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.