
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Royal Century Resources Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

MAJOR TRANSACTION IN RELATION TO THE PURCHASE OF SCAFFOLDING EQUIPMENT; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used on this cover shall have the same meanings as defined in this circular.

A notice convening the EGM to be held at Suite 2201, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Monday, 19 October 2020 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event no less than 48 hours before the time appointed for holding the EGM (i.e. Friday, 16 October 2020 at 10:30 a.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and, in such event, the instrument appointing the proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM

Due to the on-going COVID-19 pandemic, to safeguard the health and safety of the Shareholders, the Company will implement the following precautionary measures at the EGM:

- compulsory body temperature checks and health declarations for all attendees
- compulsory wearing of a surgical face mask for each attendee throughout the EGM
- no distribution of corporate gift nor provision of refreshment

Any Shareholders or their proxies who does not comply with these precautionary measures may be denied entry into the EGM venue. Shareholders are reminded that, in order to avoid attending the meeting in person, they may appoint the chairman of the meeting as their proxy to vote on any resolutions at the EGM in accordance with the voting preferences indicated on the enclosed proxy form.

This circular with a form of proxy will remain on the "Latest Company Announcements" page of the website of GEM at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.royalcentury.hk.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the meanings as set out below:

“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 (stock code: 8125)
“Delivery Notice(s)”	the written notice(s) given by Royal Century Construction to the Supplier for the delivery of the scaffolding equipment ordered
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other things, the Purchase Agreement and the transactions contemplated thereunder
“First Purchasing Order”	the purchasing order placed by Royal Century Construction with the Supplier on 25 May 2020 for purchase of scaffolding equipment
“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 (from time to time)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owners, to the best of the Directors’ 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
“Latest Practicable Date”	25 September 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Purchasing Orders”	collectively, the First Purchasing Order and the Second Purchasing Order
“Purchase Agreement”	the purchase agreement dated 7 September 2020 and entered into between Royal Century Construction and the Supplier in respect of the purchase of scaffolding equipment
“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 an indirect wholly-owned subsidiary of the Company
“Second Purchasing Order”	the purchasing order placed by Royal Century Construction with the Supplier on 1 September 2020 for purchase of scaffolding equipment
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company with no par value
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplier”	Kaiping City Hong Qiang Machinery and Equipment Company Limited (開平市宏強機械設備有限公司), a company established in the PRC with limited liability, and an Independent Third Party
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chan Chi Yuen (*Chairman*)

Mr. Wang Jun

Mr. Zhang Weijie

Non-executive Director:

Mr. Tsang Kei Cheong

Registered Office:

Suite 2201, 22/F

China Resources Building

26 Harbour Road

Wanchai

Hong Kong

Independent non-executive Directors:

Mr. Chan Chiu Hung Alex

Mr. Wu Zhao

Mr. Lam Cheok Va

30 September 2020

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE PURCHASE OF SCAFFOLDING EQUIPMENT;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

References are made to the announcements of the Company dated (i) 1 September 2020 and 3 September 2020, respectively, in relation to, among others, the Previous Purchasing Orders; and (ii) 7 September 2020, in relation to, among others, the Purchase Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

On 7 September 2020, Royal Century Construction and the Supplier entered into the Purchase Agreement, pursuant to which Royal Century Construction has conditionally agreed to purchase and the Supplier has conditionally agreed to provide scaffolding equipment at the total consideration of approximately HK\$11,160,000, subject to the fulfillment of the condition set out in the Purchase Agreement..

The purpose of this circular is to provide you with, among other things, (i) further details of the Purchase Agreement and the transactions contemplated thereunder; (ii) the financial information of the Group; (iii) the unaudited pro forma financial information of the Group; (iv) other information as required under the GEM Listing Rules; and (v) the notice of the EGM at which resolution(s) will be proposed to consider and, if thought fit, approve the Purchase Agreement and the transactions contemplated thereunder.

THE PREVIOUS PURCHASING ORDERS

Royal Century Construction, an indirect wholly-owned subsidiary of the Company, had placed the Previous Purchasing Orders with the Supplier for purchase of scaffolding equipment in the aggregate amount of approximately HK\$5,050,000, of which (i) on 25 May 2020, the First Purchasing Order was placed for the amount of approximately HK\$350,000; and (ii) on 1 September 2020, the Second Purchasing Order was placed for the amount of approximately HK\$4,700,000.

As at the Latest Practicable Date, the First Purchasing Order had been completed; and the Second Purchasing Order is expected to be completed by 31 October 2020.

THE PURCHASE AGREEMENT

The Board announces that, on 7 September 2020 (after trading hours), Royal Century Construction and the Supplier entered into the Purchase Agreement pursuant to which Royal Century Construction has conditionally agreed to purchase and the Supplier has conditionally agreed to provide scaffolding equipment.

Principal terms of the Purchase Agreement are summarised as follows:

Date: 7 September 2020

Parties: (1) Royal Century Construction Equipment Limited (仁德建築設備有限公司), an indirect wholly-owned subsidiary of the Company, as purchaser; and
(2) Kaiping City Hong Qiang Machinery and Equipment Company Limited (開平市宏強機械設備有限公司), as supplier

LETTER FROM THE BOARD

The Supplier is a company established in the PRC with limited liability and owned as to 92% by Chen Hanyin (陳漢寅) and 8% by Zheng Sen (鄭森). The Supplier is principally engaged in the production of construction related machinery and equipment, scaffolding equipment, and stainless and metal products.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Supplier and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the Purchase Agreement, Royal Century Construction has conditionally agreed to purchase and the Supplier has conditionally agreed to provide scaffolding equipment, with specifications set out in the Purchase Agreement. The scaffolding equipment will be leased by Royal Century Construction to construction companies for use in construction projects.

Pursuant to the Purchase Agreement, Royal Century Construction shall have the absolute discretion to determine when the scaffolding equipment is to be delivered to them by the Supplier. The Purchase Agreement shall not restrict or limit Royal Century Construction to purchase scaffolding equipment from other third parties and Royal Century Construction is free to choose other third party suppliers to provide scaffolding equipment to Royal Century Construction.

Consideration

The total consideration payable by Royal Century Construction pursuant to the Purchase Agreement shall be approximately HK\$11,160,000.

The consideration was arrived at after arm's length negotiations between Royal Century Construction and the Supplier and was determined by the prevailing market price obtained by comparing quotations provided by various suppliers of scaffolding equipment, which had been reflected in the quotation provided by the Supplier, and subsequently confirmed by Royal Century Construction.

The Company will finance the purchase of the scaffolding equipment pursuant to the Purchase Agreement by short term borrowings and/or net proceeds from the rights issue as disclosed in the announcement of the Company dated 28 August 2020. Upon the completion of the said rights issue, the net proceeds raised therefrom will be used to settle the borrowings for such purchases. For details of the rights issue, please refer to the announcement of the Company dated 28 August 2020.

LETTER FROM THE BOARD

Term of the Purchase Agreement

The Purchase Agreement shall be effective from the date of the Purchase Agreement becomes unconditional and expiring on 31 March 2021 unless terminated in accordance with provisions of the Purchase Agreement.

Condition precedent

Completion is conditional upon, and subject to the fulfilment of, the condition precedent being, the passing by the Shareholders at the EGM to be convened and held of an ordinary resolution to approve the Purchase Agreement and the transactions contemplated thereunder.

The above condition is incapable of being waived. If the above condition precedent has not been fulfilled on or before 30 November 2020 (or such later date as the parties may agree), the Purchase Agreement shall cease and terminate, and thereafter neither party shall have any obligations and liabilities towards each other save for any antecedent breaches of the terms in the Purchase Agreement.

As at the Latest Practicable Date, the above condition has not been fulfilled.

Delivery date

For better warehousing management of the Group, the scaffolding equipment shall be delivered by the Supplier to the warehouse of Royal Century Construction in Hong Kong by batch(es). The parties agreed that the scaffolding equipment shall be delivered by batch(es) to the warehouse of Royal Century Construction in Hong Kong.

Royal Century Construction shall give the Supplier the Delivery Notice(s) in advance and the Supplier 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 shall be delivered within the term of the Purchase Agreement.

Payment terms

Royal Century Construction shall pay the relevant part of the consideration to the Supplier against each batch of delivery. Royal Century Construction shall settle all payment of the scaffolding equipment of each batch of delivery within 30 days after the issue of the Delivery Notice.

LETTER FROM THE BOARD

REASONS AND THE BENEFITS OF THE ENTERING INTO OF THE PURCHASE AGREEMENT

The Company is a Hong Kong-based investment holding company. The Group is principally engaged in the (i) provision of fitting out and engineering, design and procurement of furnishings and related products services; (ii) leasing of construction equipment; (iii) sourcing and merchandising of fine and rare wines; and (iv) provision of financial services.

The scaffolding equipment to be purchased pursuant to the Purchase Agreement 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. 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 Company has recently secured orders for leasing of the construction equipment to be used in the Third Runway Project of the Hong Kong Airport, and the Company shall be required to purchase a vast amount of such scaffolding equipment to meet the upcoming demand of those orders.

Given the vast amount of scaffolding equipment required for the gigantic Third Runway Project, the Group had to purchase scaffolding equipment at the best possible price and at the right timing to maintain sufficient amount for leasing purposes in order to meet the huge demand. To allow flexibility in conducting its business to meet the demand and warehouse management, the Company proposes to seek approval for the Purchase Agreement from the Shareholders at the EGM, to allow the Group to purchase scaffolding equipment in bulk, and subsequently request delivery by batch(es) during the term of the Purchase Agreement.

The Directors consider that the Purchase Agreement is entered into upon normal commercial terms following arm's length negotiations between Royal Century Construction and the Supplier and the terms of the Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE TRANSACTIONS CONTEMPLATED UNDER THE PURCHASE AGREEMENT ON EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

The unaudited pro forma consolidated statement of assets and liabilities of the Group as set out in Appendix II to this circular is prepared as if completion had taken place on 31 March 2020 to illustrate the effect of the transactions contemplated under the Purchase Agreement.

LETTER FROM THE BOARD

Earnings

Given that the scaffolding equipment to be purchased on completion would be subsequently leased to construction companies for use in construction projects, it is expected that the transactions contemplated under the Purchase Agreement will not have any immediate material impact on the earnings of the Group. The Company expects that after taking into account the leasing of the scaffolding equipment to construction companies, the Group will record an increase in the earnings of the Group as a result of the transactions contemplated under the Purchase Agreement. The actual financial effects may differ and are subject to audit.

Assets and liabilities

Based on the unaudited pro forma consolidated statement of assets and liabilities of the Group as set out in Appendix II to this circular, (i) the consolidated total assets of the Group would have increased from approximately HK\$114.3 million to approximately HK\$143.7 million on a pro forma basis; (ii) the consolidated total liabilities of the Group would have remained unchanged on a pro forma basis; and (iii) the consolidated net assets of the Group would have increased from approximately HK\$83.0 million to approximately HK\$112.4 million on a pro forma basis.

Further details of the financial effect of the transactions contemplated under the Purchase Agreement on the assets and liabilities of the Group together with the bases in preparing the unaudited pro forma financial information are set out in Appendix II to this circular.

GEM LISTING RULES IMPLICATIONS

The relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the maximum consideration payable under the Purchase Agreement exceed 25% but less than 100%, the transactions contemplated under the Purchase Agreement constitute a major transaction on the part of the Company which is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As transactions contemplated under the Previous Purchasing Orders and transactions contemplated under the Purchase Agreement are made within 12 months period, the transactions contemplated under the Previous Purchasing Orders and under the Purchase Agreement 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 ratios in respect of the aggregate of the transactions contemplated under the Previous Purchasing Orders and under the Purchase Agreement would exceed 25% but less than 100%, and hence constitute a major transaction of the Company which is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

LETTER FROM THE BOARD

EGM

A notice convening the EGM to be held at Suite 2201, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Monday, 19 October 2020 at 10:30 a.m. at which an ordinary resolution will be proposed to consider and, if thought fit, to approve the Purchase Agreement and the transactions contemplated thereunder is set out on pages EGM-1 to EGM-3 of this circular.

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the Purchase Agreement and the transactions contemplated thereunder. Accordingly, it is expected that no Shareholder is required to abstain from voting at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the proxy form accompanying this circular in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

In compliance with the GEM Listing Rules, all the resolutions to be proposed at the EGM will be voted on by way of poll at the EGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 13 October 2020 to Monday, 19 October 2020 (both days inclusive) for determining the entitlement for attendance and voting at the EGM. No transfer of Shares will be registered during the above book closure period.

In order to qualify for attending and voting at the EGM, all transfers accompanied by the relevant share certificate(s), must be lodged with the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Monday, 12 October 2020.

RECOMMENDATION

The Directors believe that the Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Purchase Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this circular.

As completion is conditional upon, and subject to the fulfilment of, the condition precedent set out in the Purchase Agreement, the transactions contemplated under the Purchase Agreement may or may not materialise. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company.

Yours faithfully,
For and on behalf of the Board
Royal Century Resources Holdings Limited
Chan Chi Yuen
Chairman and Executive Director

1. FINANCIAL SUMMARY

The financial information of the Group for each of the three financial years ended 31 March 2018, 2019 and 2020 and the three months ended 30 June 2020 are set out in the following documents which have been published on both the GEM website at www.hkgem.com and the Company's website at www.royalcentury.hk:

- the annual report of the Company for the year ended 31 March 2018 published on 29 June 2018 (pages 68 to 167) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2018/0629/gln20180629133.pdf>);
- the annual report of the Company for the year ended 31 March 2019 published on 24 June 2019 (pages 71 to 195) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2019/0624/gln20190624139.pdf>);
- the annual report of the Company for the year ended 31 March 2020 published on 30 June 2020 (pages 75 to 198) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0630/2020063000751.pdf>); and
- the first quarterly report of the Company for the three months ended 30 June 2020 published on 14 August 2020 (pages 2 to 15) (hyperlink: <https://www1.hkexnews.hk/listedco/listconews/gem/2020/0814/2020081400033.pdf>).

2. STATEMENT OF INDEBTEDNESS

Statement of Indebtedness

Borrowings

At the close of business on 31 August 2020, being the latest practicable date on which such information was available to the Company, the Group had no outstanding borrowings.

Lease liabilities

The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. At the close of business on 31 August 2020, being the latest practicable date on which such information was available to the Company, the Group had current and non-current lease liabilities amounting to HK\$7,019,000 and HK\$10,604,000, respectively.

Commitment

As at the close of business on 31 August 2020, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had the capital expenditure contracted but not provided for in the consolidated financial statements in respect of development of construction equipment management system of HK\$125,000.

Disclaimers

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, normal trade and other payables and contract liabilities, as at the close of business on 31 August 2020, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages and charges, hire purchases commitments, material contingent liabilities or guarantees outstanding.

To the best knowledge of the Directors, having made all reasonable enquiries, (i) there has been no material change in indebtedness or contingent liabilities of the Group since 31 August 2020 and up to the Latest Practicable Date, except for a short term borrowing of HK\$8,000,000 from an independent third party on 15 September 2020; (ii) there has not been any default on repayments or other obligations in any material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the financial resources available to the Group including internally generated funds, the present bank and other facilities and the net proceeds from the rights issue as disclosed in the announcement of the Company dated 28 August 2020, the Group will have sufficient working capital for at least twelve (12) months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading position of the Group as at 31 March 2020, being the date to which the latest published audited accounts of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Provision of design, fitting out and engineering services

The Group mainly provided fitting out and other engineering services to commercial institutions and residence end users as well as public sectors. The Group has made effort to submit tenders and to enlarge the scale of operations of fitting out and engineering services business during the year ended 31 March 2020 (“FY2020”). The Group has constantly been invited by the existing and potential customers to submit the tenders regarding to the provision of fitting out and engineering services. During FY2020, the Group has also received and completed orders in relation to the furnishings and related products. During the three months ended 30 June 2020, the Group has consolidated the provision of fitting out and engineering services and the provision of design and procurement of furnishings and related products services into the provision of design, fitting out and engineering in order to concentrate and effectively utilize the resources.

Despite the unfavourable social and economic condition due to the outbreak and ongoing dissemination of social unrest and unstable activities in Hong Kong and COVID-19, causing numerous construction projects including infrastructure construction projects and building repair and maintenance projects being suspended or postponed, the Group has managed to secure contracts with sums of approximately HK\$18.4 million, of which approximately HK\$7.4 million has been recognised during the second half of FY2020. The Group expects the social unrest and the COVID-19 outbreak are short term incidents and believes that the situation will improve when the COVID-19 outbreak is under control and the performance of the fitting out and engineering services business will be improved gradually.

Apart from the provision of design, fitting out and engineering services to the commercial institutions and the residence end-users, the Group has been extending its services to the public sectors including the government authority. The Group has also been proactively developing for cohesive business relationship with project contractors of different segments in order to widen its market spectrum. The Group has been invited to submit tenders for both private sectors and public sectors.

During the three months ended 30 June 2020, the Group has further secured projects with contract sum significantly higher than the aggregate amount of all contracts awarded during FY2020. With these brilliant results, the Group is vigorously in negotiation with a number of other potential customers for the provision of design, fitting out and engineering services including provision of the public housing maintenance, improvement and vacant flat refurbishment works and services. The Group expects such exploration and strategy will further broaden and strengthen the income stream and the sustainable development of the design, fitting out and engineering services business with maximization of return of the shareholders and the value of the Group.

Leasing of construction equipment

The leasing of construction equipment business segment was developed as a natural expansion of and ancillary to the existing principal business of the Group in the year ended 31 March 2019 (“FY2019”). The business segment successfully and gradually commenced its operation and recorded rental and installation services income of approximately HK\$3.6 million during FY2020.

Despite the unfavourable social and economic condition due to the outbreak and ongoing dissemination of social unrest and unstable activities in Hong Kong and the COVID-19, the Group has successfully secured orders from various contractors/customers in relation to the leasing of construction equipment during FY2020.

As the leasing of construction equipment business is in the development and growth phase, the number of leasing orders would be expected to increase continuously during FY2020.

The Group’s leasing business has rapid increase in number of customers and projects during the three months ended 30 June 2020. The Group has been building and consolidating business relationship with its existing customers with recurring orders and is able to explore new customers and conclude projects with significant contract sums. With the ongoing increase in number of customers and projects, the revenue generating therefrom has been increased significantly during the three months ended 30 June 2020. Although such growth rate may not be dramatically raised constantly, the leasing of construction equipment is relatively stable and low risk in nature which would progressively develop into an economic scale with considerable and sustainable income stream to the Group.

With the commencement of the infrastructural facilities such as the development and construction of the third aerial runway and the new airport terminal and buildings, it is expected that the leasing of construction equipment business of the Group would be benefited from such positive growth and development. During the past few months, the Group has explored and negotiated with the contracts alongside such development and has managed to secure new project(s) therefrom.

Looking forward, with the branding recognition of the Group’s leasing of construction equipment business and the enlargement of its operation scale, the rental income derived therefrom would have significant growth potential in the coming years.

Sourcing and merchandising of fine and rare wines

The Group has developed and maintained a stable and sustainable relationship with its customers and suppliers and securing recurring orders therefrom. The Group has been actively in identification of suppliers and more potential customers to sustain the development of this business. The Group expects the wine merchandising business would be a stable income stream of the Group and the Group would maintain the wine merchandising at a steady level of operations.

Financial services

The Group continues to adopt a prudent management approach to carry out the financial services business in order to minimize its credit risk exposure while proactively exploring and seeking for high creditworthiness customers to ensure a healthy development in its money lending, securities advisory services, securities dealing and brokerage services and assets management services business.

The Group's money lending business maintains a loan portfolio with principal amount of approximately the same level as at 31 March 2020.

Certain commission income was also recognised from the introducing brokerage services during the three months ended 30 June 2020.

(A) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report received from the Company's reporting accountants, Mazars CPA Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular



MAZARS CPA LIMITED

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The Board of Directors
Royal Century Resources Holdings Limited
Suite 2201, 22/F.
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

Dear Sirs,

ROYAL CENTURY RESOURCES HOLDINGS LIMITED

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Royal Century Resources Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purpose only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities at 31 March 2020 and related notes (the “**Pro Forma Financial Information**”) as set out in Appendix II to the circular in connection with the proposed purchase of scaffolding equipment (the “**Acquisition**”) dated 30 September 2020 (the “**Circular**”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II to the Circular.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Acquisition on the Group's financial position at 31 March 2020 as if the Acquisition had taken place on 31 March 2020.

As part of this process, information about the Group's financial position at 31 March 2020 has been extracted by the Directors from the Group's financial statements for the year ended 31 March 2020, on which an audit report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline 7 "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting accountant's independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 (Clarified) "*Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on the unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 31 March 2020 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgement, having regard to the reporting accountant’s understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 30 September 2020

B. INTRODUCTION

The following is a summary of illustrative unaudited pro forma financial information of the Group, which consists of the unaudited pro forma consolidated statement of assets and liabilities at 31 March 2020 in connection with the proposed purchase of scaffolding equipment (the “**Acquisition**”). The unaudited pro forma financial information presented below is prepared to illustrate the financial position of the Group immediately after completion of the Acquisition at 31 March 2020 as if the Acquisition had been completed on 31 March 2020.

The unaudited pro forma financial information is prepared based on the consolidated statement of financial position of the Group at 31 March 2020 as extracted from the financial statements of the Group for the year ended 31 March 2020.

The unaudited pro forma financial information is presented after making pro forma adjustments that are directly attributable to the Acquisition and not relating to future events or decisions, factually supportable and clearly identified as to those adjustments which are expected to have/have no continuing effect on the Group.

The unaudited pro forma financial information has been prepared by the Directors in accordance with paragraph 7.31(1) of the GEM Rules, for the purposes of illustrating the effect of the Acquisition and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group had the Acquisition been completed on 31 March 2020, where applicable, or any future date.

The unaudited pro forma financial information should be read in conjunction with the historical financial information of the Group as set out in the annual report of the Group for the year ended 31 March 2020 and other financial information included elsewhere in the Circular.

C. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT ASSETS AND LIABILITIES OF THE GROUP

	Consolidated statement of assets and liabilities at 31 March 2020 <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments		Unaudited pro forma adjusted consolidated statement of assets and liabilities <i>HK\$'000</i>
		<i>HK\$'000</i> <i>Note 2</i>	<i>HK\$'000</i> <i>Note 3</i>	
ASSETS				
Non-current assets				
Property, plant and equipment	18,545		15,860	34,405
Investment property	25,600			25,600
Right-of-use assets	19,895			19,895
Goodwill	1,867			1,867
Intangible assets	15,149			15,149
Deposits for acquisition of property, plant and equipment	297			297
	81,353			97,213
	81,353			97,213
Current assets				
Loan and interest receivables	6,136			6,136
Inventories	827			827
Trade and other receivables	14,797			14,797
Contract assets	457			457
Tax recoverable	2			2
Cash and bank balances	10,698	29,456	(15,860)	24,294
	32,917			46,513
	32,917			46,513
Total assets	114,270			143,726

	Consolidated statement of assets and liabilities at 31 March 2020 <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments		Unaudited pro forma adjusted consolidated statement of assets and liabilities <i>HK\$'000</i>
		<i>HK\$'000</i>	<i>HK\$'000</i>	
		<i>Note 2</i>	<i>Note 3</i>	
LIABILITIES				
Current liabilities				
Trade and other payables	7,704			7,704
Contract liabilities	601			601
Income tax payable	25			25
Lease liabilities	6,827			6,827
	<u>15,157</u>			<u>15,157</u>
	-----			-----
Non-current liabilities				
Deferred tax liabilities	2,554			2,554
Lease liabilities	13,566			13,566
	<u>16,120</u>			<u>16,120</u>
	-----			-----
Total liabilities	<u>31,277</u>			<u>31,277</u>
	=====			=====
Net assets	<u>82,993</u>			<u>112,449</u>
	=====			=====

D. NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP

1. The amounts are extracted from the audited consolidated statement of financial position of the Group at 31 March 2020 as set out in the annual report of the Company for the year ended 31 March 2020.
2. The Group intends to finance the Acquisition by short-term borrowings and/or net proceeds from the rights issue as disclosed in the announcement of the Company dated 28 August 2020. Upon the completion of the said rights issue, the net proceeds raised therefrom will be used to settle the borrowings for such purchase.
3. This represents the consideration of acquiring the scaffolding equipment amounting to (i) approximately HK\$4,700,000 as disclosed in the announcement dated 1 September 2020; and (ii) approximately HK\$11,160,000 as disclosed in the announcement dated 7 September 2020.
4. No other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2020.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accepts 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 enquires, confirm that to the best of their knowledge and belief, the information contained in this circular 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 contained herein or this circular misleading.

2. DISCLOSURE OF INTERESTS**(a) Interests of Directors and chief executive of the Company**

As at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or otherwise which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Interests of substantial Shareholders

So far as known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had or were deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO who, are directly or indirectly interested in 5% or more of the Shares.

Long positions in the Shares and the underlying shares

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of shareholding in the Company <i>(Note 1)</i>
Sinomax Securities Limited (“Sinomax Securities”) <i>(Note 2)</i>	Underwriter	35,000,000	22.32%
Smart Domain Group Limited (“Smart Domain”) <i>(Note 2)</i>	Interest of a controlled corporation	35,000,000	22.32%
Fu Shek Financial Holdings Limited (“Fu Shek”) <i>(Note 2)</i>	Interest of a controlled corporation	35,000,000	22.32%
Hong Kong ChaoShang Group Limited (“ChaoShang”) <i>(Note 3)</i>	Beneficial owner	85,752,000	16.41%
Time Vanguard Holdings Limited (“Time Vanguard”) <i>(Note 4)</i>	Beneficial owner	50,000,000	9.57%
Pure Virtue Enterprise Limited (“Pure Virtue”) <i>(Note 4)</i>	Interest of a controlled corporation	50,000,000	9.57%
China Huarong Overseas Investment Holdings Co. Limited (“Huarong Overseas”) <i>(Note 4)</i>	Interest of a controlled corporation	50,000,000	9.57%
華融華僑資產管理股份有限公司 (“Huarong Huaqiao”) <i>(Note 4)</i>	Interest of a controlled corporation	50,000,000	9.57%
Huarong Zhiyuan Investment & Management Co., Ltd. (“Huarong Zhiyuan”) <i>(Note 4)</i>	Interest of a controlled corporation	50,000,000	9.57%
China Huarong Asset Management Co., Ltd. (“Huarong Asset Management”) <i>(Note 4)</i>	Interest of a controlled corporation	50,000,000	9.57%

Notes:

1. The percentage of shareholding was calculated based on the Company's total number of issued Shares as at the Latest Practicable Date (i.e. 522,600,000 Shares), save for that of Sinomax Securities, Smart Domain and Fu Shek, which was calculated based on the expected issued shares of the Company as consolidated under the share consolidation and enlarged by the allotment and issue of the rights shares under the rights issue comprising 156,780,000 consolidated shares (assuming full acceptance of the rights shares and no further issue and/or repurchase of Shares and/or consolidated shares from the Latest Practicable Date to the completion of the rights issue).
2. Sinomax Securities is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Smart Domain. Smart Domain is a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Fu Shek, which is a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2263).

Pursuant to the terms and conditions of the underwriting agreement dated 28 August 2020, Sinomax Securities (as the underwriter) has conditionally agreed to underwrite on a non-fully underwritten basis up to 35,000,000 rights shares (other than those agreed to be taken up by ChaoShang pursuant to the irrevocable undertaking).

3. ChaoShang is a company incorporated in Bermuda with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 2322). As at the Latest Practicable Date, ChaoShang was beneficially interested in 85,752,000 Shares. Pursuant to the irrevocable undertaking, ChaoShang has provided an irrevocable and unconditional undertaking to the Company that it shall subscribe, or procure its nominee(s) to subscribe, for 17,150,400 rights shares, which comprise the full acceptance of its provisional entitlement.
4. 50,000,000 Shares are registered in the name of Time Vanguard, which is wholly-owned by Pure Virtue. Pure Virtue is wholly-owned by Huarong Overseas, which is wholly-owned by Huarong Huaqiao. Huarong Huaqiao is 91% owned by Huarong Zhiyuan, which is wholly-owned by Huarong Asset Management. As such, each of Pure Virtue, Huarong Overseas, Huarong Huaqiao, Huarong Zhiyuan and Huarong Asset Management is deemed to be interested in the relevant Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons who had any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, who are directly or indirectly interested in 5% or more of the Shares.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTEREST

As at the Latest Practicable Date, save as disclosed below, none of the Directors or any of their close associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

Director	Name of company	Nature of business	Nature of interests
Mr. Chan Chi Yuen	ChaoShang and its subsidiaries	Money lending business and securities and asset management business	Executive director and chief executive officer of ChaoShang

As the Board is independent to the boards of directors of the abovementioned companies, the Group is capable of carrying on its business independently to, and at arm's length, from the business of those companies.

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2020, the date to which the latest published audited accounts of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert which has given opinion, letter or advice contained in this circular:

Name	Qualifications
Mazars CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the abovenamed expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the abovenamed expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the abovenamed expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2020, being the date to which the latest published audited accounts of the Company were made up.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) a conditional placing agreement dated 1 November 2018 entered into between the Company as issuer and ChaoShang Securities Limited as placing agent in relation to the placing, on a best effort basis, of up to 72,600,000 placing shares at the placing price of HK\$0.2 per placing share;
- (b) a master agreement dated 29 November 2018 and entered into between Royal Century Construction (as purchaser) and Ho Hon Systems Mould Plank Limited (“**Ho Hon Systems**”) (as supplier) in respect of the provision of scaffolding equipment by Ho Hon Systems to Royal Century Construction from time to time, subject to the placing of purchasing orders by Royal Century Construction for an aggregate consideration of not more than HK\$15,000,000 during the term of the Master Agreement;

- (c) a purchasing order placed by Royal Century Construction with Ho Hon Systems on 18 December 2018 for purchase of scaffolding equipment in the amount of HK\$15,952,319;
- (d) a sale and purchase agreement dated 21 December 2018 entered into amongst Mr. Wong Wai Ming (“**Mr. Wong**”) and Ms. Wong Mei Ling (as vendors) and Royal Century Investment Group Limited (as purchaser), being a direct wholly-owned subsidiary of the Company, in relation to the sale and purchase of the entire issued share capital of, and shareholder’s loan owed to Mr. Wong by, Vai Tak Building Works Company Limited for a consideration of HK\$1,880,000;
- (e) a conditional placing agreement dated 12 November 2019 entered into between the Company as issuer and ChaoShang Securities Limited as placing agent in relation to the placing, on a best effort basis, of up to 87,000,000 placing shares at the placing price of HK\$0.08 per placing share;
- (f) a conditional underwriting agreement dated 28 August 2020 entered into between the Company as issuer and Sinomax Securities Limited as underwriter in relation to underwriting arrangement in respect of up to 35,000,000 new consolidated shares at a subscription price of HK\$0.3 per rights share;
- (g) a conditional placing agreement dated 28 August 2020 entered into between the Company as issuer and ChaoShang Securities Limited as placing agent in relation to the placing, on a best effort basis, of the unsubscribed rights shares and the non-qualifying shareholders unsold rights shares at a placing price not less than the subscription price of HK\$0.3 per rights share;
- (h) a purchasing order placed by Royal Century Construction with the Supplier on 1 September 2020 for purchase of scaffolding equipment in the amount of approximately HK\$4,700,000; and
- (i) the Purchase Agreement.

9. THE AUDIT COMMITTEE

The Group has established an audit committee (the “**Audit Committee**”) pursuant to a resolution of the Board passed on 30 June 2014 in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and with written terms of reference in compliance with the Corporate Governance Code.

As at the Latest Practicable Date, the Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Chiu Hung Alex, Mr. Wu Zhao and Mr. Lam Cheok Va. The chairman is Mr. Chan Chiu Hung Alex, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules. The primary duties of the Audit Committee include the review of the Group’s financial reporting process and the internal control systems as well as risk management of the Group.

Mr. Chan Chiu Hung Alex (“Mr. Chan”), aged 54, is an independent non-executive Director since September 2015. Mr. Chan is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Institute of Chartered Accountants in England and Wales, and The Association of Chartered Certified Accountants, The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute. Mr. Chan obtained a Bachelor of Business Administration degree (major in Finance) from Hong Kong Baptist University and professional diplomas in Hong Kong tax and China tax from the Hong Kong Institute of Certified Public Accountants. He has served in senior financial and company secretarial positions in a number of public companies listed in Hong Kong and Singapore for years.

Mr. Chan is currently an independent non-executive director of KK Culture Holdings Limited (stock code: 550). He was an independent non-executive director of Feishang Non-metal Materials Technology Limited (now known as HangKan Group Limited) (stock code: 8331) from December 2015 to December 2017.

Mr. Wu Zhao (“Mr. Wu”), aged 42, is an independent non-executive Director since November 2015. Mr. Wu obtained a bachelor degree in Engineering (Chemical) from the University of Queensland, Australia. He also obtained a master of commerce in applied finance and a master of information technology from the University of Queensland, Australia. He has extensive experience in finance, information technology, investment and funds management. Mr. Wu ceased to act as a director and the licensed representative of Type 1 (Dealings in Securities) and Type 4 (Advising on Securities) license of a fund management company from July 2018.

Mr. Wu is currently an independent non-executive director of Silk Road Logistics Holdings Limited (stock code: 988).

Mr. Lam Cheok Va (“Mr. Lam”), aged 62, is an independent nonexecutive Director since April 2016. Mr. Lam is a member of the Standing Committee of Yunnan Province Committee of the Chinese People’s Political Consultative Conference. He is also the President of Macau Yunnan Chamber of Commerce, the Director General of Macau Small and Medium Enterprises Chamber of Commerce, a director of China Federation of Overseas Entrepreneurs, a director of Macau Chamber of Commerce, an executive director of Macau Region China Council for the Promotion of Peaceful National Reunification, and a member of Advisory Board of School of Language and Translation of Macau Polytechnic Institute. Mr. Lam has extensive experience in business including entertainment, food and beverage, retail, tourism and consulting.

Mr. Lam is currently a director of Macau Resources Group Limited, of which its securities are traded on the Over-The-Counter Market, the United States (OTCBB: MRGLF).

10. CORPORATE INFORMATION OF THE GROUP

Headquarter, registered office and principal place of business	Suite 2201, 22/F China Resources Building 26 Harbour Road Wanchai, Hong Kong
Share registrar and transfer office in Hong Kong	Union Registrars Limited Suites 3301-04, 33/F Two Chinachem Exchange Square 338 King’s Road North Point, Hong Kong
Company secretary	Mr. Pang Pui Hung Paton <i>(a fellow member of the Association of International Accountants and the Hong Kong Institute of Certified Public Accountants)</i>
Authorised representatives	Mr. Chan Chi Yuen Mr. Pang Pui Hung Paton
Compliance officer	Mr. Chan Chi Yuen

In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at Suite 2201, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the EGM:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 March 2018, 2019 and 2020;
- (c) the first quarterly report of the Company for the three months ended 30 June 2020;
- (d) the accountants' report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;
- (e) the written consent referred to in the paragraph headed "6. Qualification and consent of expert" in this appendix;
- (f) the material contracts referred to in the paragraph headed "8. Material contracts" in this appendix; and
- (g) this circular.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Royal Century Resources Holdings Limited (the “**Company**”) will be held at Suite 2201, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Monday, 19 October 2020 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions of the Company:

ORDINARY RESOLUTION

“**THAT**

- (a) the conditional purchase agreement (the “**Purchase Agreement**”) dated 7 September 2020 and entered into between Kaiping City Hong Qiang Machinery and Equipment Company Limited (開平市宏強機械設備有限公司) (the “**Supplier**”) as supplier, and Royal Century Construction Equipment Limited (仁德建築設備有限公司) (“**Royal Century Construction**”), an indirect wholly-owned subsidiary of the Company, as purchaser, pursuant to which Royal Century Construction has agreed to purchase and the Supplier has agreed to provide scaffolding equipment at the total consideration of approximately HK\$11,160,000 (a copy of the Purchase Agreement is produced to the Meeting marked “A” and initialed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) any one or more directors of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient to give effect to the Purchase Agreement and the transactions contemplated thereunder.”

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

Chairman and Executive Director

Hong Kong, 30 September 2020

NOTICE OF EGM

Registered Office:

Suite 2201, 22/F
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not less than 48 hours before the time for holding the Meeting (i.e. 10:30 a.m. on Friday, 16 October 2020) or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the Meeting or any adjournment thereof, should he so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Tuesday, 13 October 2020 to Monday, 19 October 2020 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the Meeting, all transfers accompanied by the relevant share certificate(s), must be lodged with the Company's share registrar and transfer office, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 4:00 p.m. on Monday, 12 October 2020.
4. A form of proxy for use at the Meeting is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.royalcentury.hk).
5. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning or "extreme conditions after super typhoons" announced by the Government of Hong Kong is/are in effect any time after 7:00 a.m. on the date of the Meeting, the meeting will be postponed. The Company will post an announcement on the websites of the Company at www.royalcentury.hk and the Stock Exchange at www.hkexnews.hk to notify members of the date, time and place of the rescheduled meeting.

NOTICE OF EGM

6. Due to the on-going COVID-19 pandemic, to safeguard the health and safety of the Shareholders, the Company will implement the following precautionary measures at the Meeting:
- compulsory body temperature checks and health declarations for all attendees
 - compulsory wearing of a surgical face mask for each attendee throughout the Meeting
 - no distribution of corporate gift nor provision of refreshment

Any Shareholders or their proxies who does not comply with these precautionary measures may be denied entry into the Meeting venue. Shareholders are reminded that, in order to avoid attending the meeting in person, they may appoint the chairman of the meeting as their proxy to vote on any resolutions at the Meeting in accordance with the voting preferences indicated on the enclosed proxy form.